FEDERAL POLICIES RELATING TO THE OPERATIONS OF PASNY

HEARING

BEFORE THE

SUBCOMMITTEE ON ENERGY AND POWER

OF THE

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

SECOND SESSION

ON

FEDERAL POLICIES WITH RESPECT TO THE OPERATIONS OF THE POWER AUTHORITY OF THE STATE OF NEW YORK (PASNY)

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FEDERAL POLICIES RELATING TO THE OPERATIONS OF PASNY

WEDNESDAY, SEPTEMBER 29, 1976

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ENERGY AND POWER,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to notice, in room 2322, Rayburn House Office Building, Hon. John D. Dingell, chairman, presiding.

Mr. DINGELL. The subcommittee will come to order.

Today's oversight hearing addresses the subject of Federal policies with respect to the operations of the Power Authority of the State of New York, usually known by its acronym PASNY. PASNY is an instrumentality of the State of New York which operates a number of generating facilities in that State, including its Niagara project which was constructed under a Federal Power Act license issued by the Federal Power Commission pursuant to the statutory mandate of the Niagara Redevelopment Act. That act contained a preference clause, giving priority in the disposition of 50 percent of the project's power to public bodies and nonprofit corporations.

The principal question which will be examined by the subcommittee today is whether PASNY's policies in disposing of power from the Niagara project are in conformity with its license, and whether the Federal Power Commission has maintained adequate surveillance over these policies.

The Chair wishes to welcome our witnesses to the hearing and to recognize my friend and colleague, the Honorable Richard Ottinger, for a brief statement.

Mr. OTTINGER. Thank you very much, Mr. Chairman. As you have indicated, the subcommittee is desirous of determining what amounts of power the Power Authority of the State of New York is producing and where that power is going. It also seeks to determine the extent to which the Authority and the Federal Power Commission have carried out their responsibilities under Federal law.

Although no formal request has yet been made, the County of Westchester announced on July 20 that it would seek to obtain power from PASNY at cheaper rates by a considerable amount that is now available from the Consolidated Edison Co., of New York. However, on July 21, the Power Authority stated that it did not have enough power to supply Westchester. What this hearing is all about today is to find out whether PASNY could serve Westchester County or any other newly-formed municipal electric company or cooperative if it were asked to do so.

Under Federal law, the Niagara Power Project Act, 16 U.S.C. 836, the Power Authority is required to meet the following terms and conditions that are central to this hearing. It reads:

(1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance. In any case in which project power subject to the preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.

In testimony prepared for today's hearing, the Power Authority states that it is in compliance with the terms of the act.

The Federal Power Commission has stated, however, that only "approximately 19 percent of the total available"—and that is a quote from the FPC testimony—only "approximately 19 percent of the total available" electricity from the Niagara plant is contracted to public bodies and cooperatives.

Instead of the 50 percent required by the Niagara Power Act, there is a shortfall of 31 percent.

The evidence is clear in my opinion that, from this remaining 31 percent, which the Power Authority is required to supply to preference customers, there is ample power which could be made available under the requirements of the Federal statute to new municipal or cooperatives customers such as Westchester County.

I would like to thank the chairman for conducting this hearing. It is a matter that is more vital to Westchester County and its future than perhaps any other matter. Businesses say that the chief cause of their having to consider leaving the county is the high cost of electricity. Many residents in Westchester County are now paying more for their electricity than they pay on their mortgages. It is a matter of tremendous distress, and we believe that the Power Authority of the State of New York offers promise for giving the people of Westchester County meaningful relief.

I would like to acknowledge the presence with us today of a representative of Westchester County, representing the county executive Alfred DelBello, and the Honorable Ronald Tocci, the Westchester County legislator who has done more work than perhaps anybody else in the county in developing these issues and promoting the use of public power for the benefit and relief of the people of Westchester County.

Mr. Chairman, thank you very much.

Mr. DINGELL. The Chair announces that our first witnesses will be the Hon. James A. FitzPatrick, Mr. Ronald A. Corso, and Mr. Daniel C. Lamke. Gentlemen, will you come forward please.

Gentlemen, if you would each identify yourself to our reporter for purposes of the record. The Chair advises that we will insert your complete statements in the record. We will then recognize you for such summary as you wish to give, in view of the time constraints under which the subcommittee labors. We will then recognize counsel and members of the committee for questions.

The Chair understands that Mr. FitzPatrick and Mr. Corso will testify, and that Mr. Lamke accompanies Mr. Corso.

STATEMENTS OF JAMES A. FITZPATRICK, CHAIRMAN, POWER AUTHORITY OF THE STATE OF NEW YORK, ACCOMPANIED BY THOMAS MOORE, GENERAL COUNSEL; AND RONALD A. CORSO, DEPUTY CHIEF, DIVISION OF LICENSED PROJECTS, BUREAU OF POWER, FEDERAL POWER COMMISSION, ACCOMPANIED BY DANIEL C. LAMKE, OFFICE OF GENERAL COUNSEL, FPC

Mr. LAMKE. My name is Daniel C. Lamke. I am with the Electric Division of Corporate Regulation of the General Counsel's Office of the Federal Power Commission.

Mr. CORSO. I am Ronald A. Corso. My title is Deputy Chief, Division of License Projects. I am with the Bureau of Power, Federal Power Commission.

Mr. FITZPATRICK. I am James A. FitzPatrick, chairman of the New York State Power Authority.

Mr. DINGELL. Gentlemen, the Chair welcomes you. I guess we should recognize you first, Mr. FitzPatrick.

STATEMENT OF JAMES A. FITZPATRICK

Mr. FITZPATRICK. Thank you very much, Mr. Chairman. I understand the time pressures under which you are operating at the present time. I have submitted for the record a very lengthy and detailed statement which I would ask be fully incorporated in the record.

Mr. DINGELL. Without objection, so ordered [see p. 16].

Mr. FITZPATRICK. We have also submitted to your staff a voluminous amount of detailed statistical data, and I have with me, should the committee wish, information with respect to that data, the general manager of the Power Authority, Mr. Berry, who is the former director of power utilization; and Mr. John W. Boston, who is the present director of power utilization; should their testimony be necessary.

I would like to state at the outset, Mr. Chairman, that I am happy to have this opportunity to appear before your committee and to supply the information that you have requested. I hope that we have done that to your satisfaction. I note that in your letter to me of September 7, it is stated that the basis of the hearing was to ascertain the extent to which we have complied with the conditions of the license.

I have previously submitted my statement, as indicated. I have not had an opportunity to review the statement just made by Mr. Ottinger nor have I, until a few moments ago, had an opportunity to review any statement made by the Federal Power Commission, and I have had no opportunity to read more than the first several pages of that.

Mr. DINGELL. We will see to it that you have full opportunity to make any necessary responses, and that we have a complete record in which you are fairly heard.

Mr. FITZPATRICK. Thank you. I notice, Mr. Congressman, that Mr. Ottinger in his opening statement stated that this hearing is really about whether or not we have enough power to supply Westchester, which has been discussing a countywide system. I should like to respectfully submit that, if we are talking about supplying power to

Westchester, we have more of an intra, rather than an inter, state problem, and I would like to respectfully take this opportunity to request that the committee in pursuit of its responsibilities with respect to interstate and foreign commerce give, if possible, every support that can be found for the project which the Power Authority is presently undertaking and has before regulatory bodies, both State and Federal, in which it would supply a total of some 3,700 kilowatts of electricity to southeastern New York, more than the total capacity of both the Niagara and the St. Lawrence plants.

I will proceed, sir, if I may, to read a brief summary of my lengthy statement. After that, of course, I will answer whatever questions you may have.

Before doing so, I should like to show you and, for the purposes of the record, submit a map which I think is significant in showing the area of service of the St. Lawrence and Niagara projects, since it indicates the very large extent of the entire State of New York which is served by those two projects alone.

Mr. DINGELL. Without objection, that will be inserted in the record at the appropriate place (see p. 54).

Mr. FITZPATRICK. Thank you, sir.

The Power Authority is, as I believe you know, Mr. Chairman, a nonprofit public benefit corporation, consisting of five trustees appointed by the Governor, with the advice and consent of the State Senate, for overlapping terms.

The Authority is not dependent upon state appropriations or state credit. Construction of its projects is financed by the sale of revenue bonds, and interest on and amortization of the bonds are paid out of revenue derived from operations.

The Authority was established by New York State law back in 1931. And, Mr. Chairman, much of what I have to do concerns the history of the Authority, because the purposes for which the plants were initially constructed and the manner in which the power was originally marketed is dependent to a very, very large extent on the history of congressional actions and state action and Power Authority action in this regard.

Originally, the Authority was established for the purpose of constructing the generating facilities on the St. Lawrence River in conjunction with the Canadian entity, which was Ontario Hydro. The Power Authority Act has been amended several times since to direct the Authority to carry out further responsibilities. And I believe it is important to note, Mr. Chairman, that in each instance we have been given specific duties to handle specific problems and construct specific projects, which we have done, we believe, in full accordance with the intent and letter of the law.

In 1951, the Authority's charter was amended to include construction of the Niagara project, to take advantage of the United States' share of the additional Niagara waters available for power production under the 1950 treaty between the United States and Canada.

In 1968 and 1972, the Authority's legislative charter was again expanded to permit construction of additional power projects for specified purposes.

Now, in 1968, we were authorized to construct nuclear powerplants for specific limited purposes which are, of course, pertinent to the

inquiry before you. And in 1972, recognizing the need of southeastern New York State for additional power, we were given responsibilities for specific entities in the city of New York, including the Metropolitan Transit Authority as a principal for instance.

In 1974, legislation was enacted authorizing the Authority to acquire two partially completed generating plants, one in New York City and one in Westchester County from the Consolidated Edison Co., of New York, in order to alleviate Con Edison's financial distress, to insure completion of the plants and to help assure an adequate supply of electricity in the New York metropolitan area. This power will be sold principally in New York City and Westchester, the bulk of it to public agencies and to municipals for public purposes.

The Authority's net generating capability, including that of the two purchased plants, will reach 6,670 megawatts late this year. This represents approximately 22 percent of all the generating capacity in the State.

In 1975, the Authority produced more than 26 billion kilowatt hours of energy, about 25 percent of all of the energy produced in the State last year. When both purchased plants are in commercial operation, the energy percentage will be approximately 32 percent, if current Niagara and St. Lawrence flows are maintained, and somewhat lower if they are reduced.

In addition to the St. Lawrence and Niagara projects which I will discuss in more detail, the Authority built the Blenheim-Gilboa Pumped Storage Project pursuant to a Federal Power Commission license. It was constructed between 1968 and 1973, with a nameplate capacity of 1,000 megawatts.

The Authority built an 821 megawatt plant near Oswego, licensed by the Nuclear Regulatory Commission, and has substantially completed the 965 megawatt nuclear plant in Westchester County and the 826 megawatt oil-fired plant in Queens County acquired from Con Edison. The nuclear plant is producing electricity and the New York City oil-fired plant is expected to produce power later this year.

I would like to invite the committee's attention to the fact that, when I begin discussing these new plants, beginning with the 821 megawatt nuclear plant near Oswego, which at the moment is temporarily providing nuclear power to all seven private utilities in the State of New York and thus Statewide—beginning with that plant and then proceeding to our acquisition of the nuclear powerplant of Consolidated Edison in Westchester County and the oil-fired plant in Queens County which we are about to complete and then proceeding through the recitation of our projected projects, including a 765 kv line from Canada, which will import some 800,000 kilowatts and which I believe, sir, by reason of the committee's interest in foreign commerce, is of particular importance——

Mr. DINGELL. Mr. FitzPatrick, so that you are not under any misapprehension, I am going to insert in the record, at this point the Niagara Redevelopment Act.

[The document referred to follows:]

NIAGARA REDEVELOPMENT ACT—PUBLIC LAW 85-159

[H.R. 8643, 85th Cong.]

AN ACT TO AUTHORIZE THE CONSTRUCTION OF CERTAIN WORKS OF IMPROVEMENT IN THE NIAGARA RIVER FOR POWER, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)[1] the Federal Power Commission is hereby expressly authorized and directed to issue a license to the Power Authority of the State of New York for the construction and operation of a power project with capacity to utilize all of the United States share of the water of the Niagara River permitted to be used by international agreement.

(b) The Federal Power Commission shall include among the licensing conditions, in addition to those deemed necessary and required under the terms of the Federal Power Act, the following:

(1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance. In any case in which project power subject to the preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.

(2) The licensee shall make a reasonable portion of the project power subject to the preference provisions of paragraph (1)[2] available for use within reasonable economic transmission distance in neighboring States, but this paragraph shall not be construed to require more than 20 per centum of the project power subject to such preference provisions to be made available for use in such States. The licensee shall cooperate with the appropriate agencies in such States to insure compliance with this requirement. In the event of disagreement between the licensee and the power-marketing agencies of any such States, the Federal Power Commission may, after public hearings, determine and fix the applicable portion of power to be made available and the terms applicable thereto: *Provided*, That if any such State shall have designated a bargaining agency for the procurement of such power on behalf of such State, the licensee shall deal only with such agency in that State. The arrangements made by the licensee for the sale of power to or in such States shall include observance of the preferences in paragraph (1) of this subsection.

(3) The licensee shall contract, with the approval of the Governor of the State of New York, pursuant to the procedure established by New York law, to sell to the licensee of Federal Power Commisson project 16 for a period ending not later than the final maturity date of the bonds initially issued to finance the project works herein specifically authorized, four hundred and forty-five thousand kilowatts of the remaining project power, which is equivalent to the amount produced by project 16 prior to June 7, 1956, for resale generally to the industries which purchased power produced by project 16 prior to such date, or their successors, in order as nearly as possible to restore low power costs to such industries and for the same general purposes for which power from project 16 was utilized: *Provided*, That the licensee of project 16 consents to the surrender of its license at the completion of the construction of such project works upon terms agreed to by both licensees and approved by the Federal Power Commission which shall include the following: (a) the licensee of project 16 shall waive and release any claim for compensation or damages from the Power Authority of the State of New York or from the State of New York, except just compensation for tangible property and rights-of-way actually taken, and (b) without limiting the generality of the foregoing, the licensee of project 16 shall waive all claims to compensation or damages based upon loss of or damage to riparian rights, diversionary rights, or other rights relating to the diversion or use of water, whether founded on legislative grant or otherwise.

(4) The licensee shall, if available on reasonable terms and conditions, acquire by purchase or other agreement, the ownership or use of, or if unable to do so, construct such transmission lines as may be necessary to make the power and energy

[1] Title 16, section 836 of the United States Code, to which this section was classified, begins: "The Federal Power Commission is expressly authorized. . . .".

[2] 16 U.S.C. section 836 includes at this point the words "of this subsection".

generated at the project available in wholesale quantities for sale on fair and reasonable terms and conditions to privately owned companies, to the preference customers enumerated in paragraph (1) of this subsection, and to the neighboring States in accordance with paragraph (2) of this subsection.

(5) In the event project power is sold to any purchaser for resale, contracts for such sale shall include adequate provisions for establishing resale rates, to be approved by the licensee, consistent with paragraphs (1) and (3) of this subsection.

(6) The licensee, in cooperation with the appropriate agency of the State of New York which is concerned with the development of parks in such State, may construct a scenic drive and park on the American side of the Niagara River, near the Niagara Falls, pursuant to a plan the general outlines of which shall be approved by the Federal Power Commission; and the cost of such drive and park shall be considered a part of the licensee's net investment in said project: *Provided*, That the maximum part of the cost of such drive and park to be borne by the power project and to be considered a part of the licensee's net investment shall not exceed $15,000,000.

(7) The licensee shall pay to the United States and include in its net investment in the project herein authorized the United States share of the cost of the construction of the remedial works, including engineering and economic investigations, undertaken in accordance with article II of the treaty between the United States of America and Canada concerning uses of the waters of the Niagara River signed February 27, 1950, whenever such remedial works are constructed.

Sec. 2. The license issued under the terms of this Act[3] shall be granted in conformance with Rules of Practice and Procedure of the Federal Power Commission, but in the event of any conflict, the provisions of this Act[3] shall govern in respect of the project herein authorized.

Approved August 21, 1957.

Mr. DINGELL. I call your specific attention to section (b)(1) which deals with the question of preference customers.

I do not intend to allow you to sit here and, by your comments, constrict the authority or the jurisdiction of this committee. I am fully aware of the jurisdiction of the committee and I am fully aware of our jurisdiction over interstate commerce. I am also equally aware of the jurisdiction of this committee over intrastate commerce where it happens to affect interstate commerce. I am equally aware of the clear language of section (b)(1), which requires in the licensing of the Federal Power Commission to do as follows:

> [I]n order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance.

I am very pleased that you are here, but I will not tolerate you telling me what the jurisdiction of this committee is. I am fully capable of ascertaining that without any outside help.

Mr. FITZPATRICK. Mr. Congressman, I am sorry if my remarks have been so interpreted. I had no intention of attempting to in any way challenge the jurisdiction of the committee. I was simply trying——

Mr. DINGELL. As long as we proceed in that fashion, I think we can do so amicably. To step outside the bounds of those discussions would obviously lead to certain stresses that neither one of us would enjoy.

Mr. FITZPATRICK. No question about that, sir. I have no such intention. My interest was in trying to present to this body of Congress some concepts about a solution which is bothering the city of New York and which is bothering Westchester County, and urging perhaps,

[3] 16 U.S.C. section 836a reads "this chapter" rather than "this Act".

if I may—I may be exceeding the limits of the hearing, but urging that consideration be given to assistance to us in being able to do that, by reason of the committee's authority and its prestige and its capacity. I believe that would be helpful, and that is all that I was intending, sir, to indicate that some of these problems do transcend the bounds of the State and also are involved with interstate and international matters.

Referring specifically, sir, if I may, digress for just a moment, to the comment with respect to the Niagara Redevelopment Act, because I think it is particularly pertinent, obviously pertinent to this whole discussion, in Mr. Ottinger's statement he discussed the fact that the Federal Power Commission had stated that we had not contracted for the amount of power which is referred to in this subsection. I respectfully invite the committee's attention to the fact that what this statute says is that the licensee in disposing of 50 percent of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance.

It says, sir, that we must give preference to them, and, as we have previously stated on many occasions and as I would like to develop in full in my lengthy statement, we did give preference to all bodies at the time that power was marketed. In other words, here we had a very large powerplant. It was on line. It had to be financed. It had to be financed without State credit by the sale of bonds. The Power Authority in effect said that all those who wished—all those in the category described who wished power—It said: "You have a preference. Do you wish it?" And there were an insufficient number of people who came forward at that time to take that power. No request was made at that time from the city of New York as a for instance. No request at that time was made from Westchester County as a for instance.

Therefore, in order to finance the project, to complete the project, so it could provide power to those preference customers who in effect were ready, willing, and able to take it, we sold the power contractually to other entities, and, in so doing, again, as I will attempt to develop in my statement, the power that was sold in large measure to private utilities for distribution to the very wide upstate area was done so, (a) to a large extent on a withdrawable basis, and (b) on a basis which required them to pass through the benefits of the Power Authority power to the rural and domestic customers.

Now, this is, of course, a complicated matter, and I have developed it in full, but I wanted particularly to make that point, sir, because it is very basic to our contention, and our contention is that we have complied with the act and we have complied with the act because we gave preference to anyone who came forward and said: "I want power."

The condition has changed very, very substantially, as I am sure you realize, in recent years. When we initially——

Mr. OTTINGER. Do you claim, Mr. FitzPatrick, that the act only requires you to give preference to those people who were able to take it at the time of the initial construction of the plant?

Mr. FITZPATRICK. Well, what I am saying, Mr. Ottinger, is that the act—I am reading from the act. The act says we shall give preference to these bodies, and our contention is that we gave

preference when we made the power available to any who could take it.

Mr. OTTINGER. And that you no longer have to give preference to new municipal entities?

Mr. FITZPATRICK. I didn't say that we no longer have to give a preference, but any preference that is given certainly has to take into consideration the contractual arrangements which were made by the Authority at the time when the preference customers did not come forward to take the power. You cannot build and operate a powerplant without customers.

Mr. OTTINGER. Right, but the act contemplated that and said that, with respect to any arrangements made, that those had to be on a withdrawable basis so that you could take into account the future needs of citizens as consumers.

Mr. FITZPATRICK. Not only did the act contemplate that, but this Congress held hearings, presided over by Senator Kerr, at the time in which an effort was made to ascertain what the future needs of the Power Authority's preference customers would be, and it was on the basis of those hearings and the allocations of what could be reasonably foreseen as the needs of the preference customers of the Power Authority that the withdrawable power was established at that time, and I think that is very significant to note. And that withdrawable power is still, of course, and has been available.

But certainly the act and the Congress did not intend that, if the Power Authority was constructing a plant which was a multimillion dollar operation and had only a modest percentage of its output that could be absorbed by the then existing public bodies, that the Authority not go forward with some kind of contractual arrangements which would be sufficient for it to finance its bonds. And that is my point.

The first Authority project was the St. Lawrence project, which is, in effect, totally sold, Mr. Chairman. We are really talking here about the output of the Niagara project. I believe Mr. Ottinger would concur as far as that is concerned.

But there was, of course, a history of the sales from the St. Lawrence project which involved sales, incidentally, to Vermont, because there was a requirement in that license that a reasonable amount of the power be sold to neighboring States. And that power has been substantially sold, and, in the interest of time, I may move over that.

However, I think that it is important to point out that at that time there were sales to industry, large sales to industry, and, if they are not a matter of contention, perhaps we could again not dwell too long on those. Those are not, I take it, a matter of contention.

At that time, there were certain municipals and rural cooperatives in the State which were outside the economic market area of the St. Lawrence, and they were offered the power, provided the distances involved were not so great as to make it impractical or impossible to deliver it.

I think, Mr. Chairman and Mr. Ottinger, it is important to note particularly this fact, because it bears on the change of circumstances in the history of what has transpired here with respect to the Power Authority.

I was saying, sir, that even some of the municipals outside the immediate project area were offered an opportunity to buy power originally from the Massena or the St. Lawrence projects. Some of those municipals at that time, including Ogdensburg, which is almost within the shadow of the plant, determined not to buy at that time, and one reason that they determined not to buy at that time—this becomes pertinent when we look at what has happened to rates now—is the fact that there was not that much spread at that time between what they could buy from the Power Authority and what they could buy from the private utilities. And when they took into consideration the difficulties and the cost of acquiring a distribution system, they decided not to go. Now some of those same municipals are now saying—and Massena is again a prime example—have now said: "The situation has changed, and we would like now to have power from the Power Authority." And we are in a situation where, having sold the power from the St. Lawrence project which they initially did not want, that we are preparing to serve that particular municipal near the St. Lawrence project from the Niagara project. And that is one of the municipals for whom the share of withdrawable power which is allocated to the utilities is destined.

Again, repeating, the amount that was to be withdrawn for those municipals was determined after consultation with this Congress and a list prepared of the anticipated needs of the then existing municipals.

The Authority built the Niagara project between 1958 and 1962. In addition to a Federal Power Commission license, the Authority was bound in its power sales by the provision of the Niagara Redevelopment Act, which you have, sir, correctly referred to.

The Authority paid for the project through the sale of almost $750 million in bonds, which it borrowed in seven installments.

The Federal statute and the license made 50 percent of the Niagara power subject to preference for the people as consumers, particularly rural and domestic consumers. They required that a special preference be given to public bodies——

Mr. OTTINGER. Did you say "up to 50 percent"?

Mr. FITZPATRICK. I said "make 50 percent subject to preference."

Mr. OTTINGER. At least 50 percent. I am sorry.

Mr. FITZPATRICK. I will take the reading of the statute. It says: "In order to assure that at least 50 percent shall be available, the licensee in disposing of 50 percent shall give preference and priority."

It also required that a reasonable amount of the Niagara power be sold to preference customers in neighboring States. The act explicitly States that this requirement shall not be construed to require more than 10 percent of the project power be made available to other States, and this, of course, has now been done.

In marketing 50 percent of Niagara power sold for the benefit of preference customers, the Authority again sold the New York municipal systems and rural cooperatives all the power they could use.

In addition, the Authority sold to utility companies on a withdrawable basis, as is specifically required by the statute, enough power to meet the reasonably foreseeable future needs of public bodies and cooperatives. Substantial withdrawals have been made, and about 140,000 kilowatts or 140 megawatts remain to be withdrawn. All of this is scheduled to be withdrawn by 1979, and all of this, Mr.

Chairman, is intended to meet the mounting requirements of our existing municipal and cooperative customers.

The fact remains that we do not have enough hydroelectric power from this Niagara project to meet the continuing needs of the existing rural and cooperative customers that we have. Once this 140,000 kilowatts has been withdrawn from the utilities under the basis of the statute, the existing municipals and cooperatives will then turn to our first nuclear power plant for the additional segments of power which they will require over the coming years.

The statute which authorized us to build nuclear power plants was enacted after—in effect after a report of the Governor's power commission, of which I was a member, which specifically limited sales from our nuclear facilities constructed at that time to existing municipal electric facilities systems.

The firm capacity of the Niagara project was 1,800,000 kilowatts, in accordance with the Federal act. The Authority has sold 180 megawatts to preference customers outside New York State—a 50-megawatt allocation to Vermont, as soon as the power became available, when Vermont was the only outside State to accept the power. Since then, 130 megawatts has been sold to the Allegheny Electric Cooperative, with members in Pennsylvania and New Jersey.

Those contracts, sir, will be actually the first to expire from the Niagara project, within the next few years. Again, we or anyone seeking to terminate the power would be faced with—if any of that power is sought to be taken from the Allegheny system or the Vermont system for a purpose not heretofore claimed—then, of course, we would have a contention.

The statute and the license required that the Authority sell 445 megawatts to the Niagara Mohawk Power Corp., which was operating generating facilities at Niagara when the statute was passed in 1957. This again, Mr. Chairman, grew out of an unusual situation that was before the Congress at that time, a contention as to who should develop the resources of the Niagara River. And, while the matter was in contention, and there were various entities vying for the right to do this, a large plant of Niagara Mohawk slid into the river, depriving the community of that segment of the power which had heretofore been provided by what was known as the Schoellkopf plant. So, when the act came along, it provided for two kinds of power to be sold in addition to that which you originally referred, Chairman Dingell. One type was that which was to replace the power which had been lost, and that was 445 megawatts, again based upon the conditions that existed at the time.

Now, that sale was made, and this becomes important, in consideration of the company's surrendering of the license for its facilities, and waiving any claims for rights on the Niagara River.

The statute directed that the Authority contract with Niagara Mohawk for the power to be sold by the company generally to the industry in the Niagara area which had been buying power from the facility in the past, for the stated purpose of restoring low-cost power to these industries. The statute also required that Niagara Mohawk sell the power to the industries without profit. The company was, of course, entitled to charge reasonable rates for transmission. The balance of the firm Niagara power was sold by the Authority

to the utility companies which served what the Authority determined would be the combined economic market of the St. Lawrence and Niagara projects.

I refer to this, sir, in the map which I was showing you, so that you have a conception——

Mr. DINGELL. The map which has been inserted into the record.

Mr. FITZPATRICK. Yes. This market area takes in most of upstate New York, so that, for the most part, it is within 150 miles of the two projects.

The determination as to market area was based upon the amount of power available for sale in relation to the power needs of the entire State, and the fact that transmission facilities capable of carrying power much further economically were not in existence at the time the project was built.

This, too, Mr. Chairman and Congressman Ottinger, became a very important factor. At the time, we were talking largely in the State of New York of 115 and 220 kilovolts transmission. The Power Authority built the first 345,000-kilovolts line across the State, and subsequent to that time we, of course, have proceeded toward moving power now of 735 kilovolts or 765 kilovolts, and that is intended to bring a large segment of power down into the metropolitan area that is in contention here.

As in the case of the St. Lawrence project, the utility companies pass on to rural and domestic consumers the savings resulting from the purchase of Authority power. This is done in two ways. It is done initially by providing—by insisting that a rate be provided based upon what the—what savings there would be by reason of the utility not putting on comparable generation, and, secondly, by the fuel adjustment clause, which has become important in recent months and years.

The amount of the savings with respect to cost of capacity are shown as a separate reduction on each customer's bill. Fuel adjustment charges to rural and domestic consumers are substantially reduced by the fact that the Authority furnishes most of the energy requirements to such consumers in the economic market area and thus avoids the cost that would otherwise be incurred by burning excessive fossil fuel.

There have only been—and perhaps I could digress from this statement for just a moment, because again your interest in how we have complied with the statute in St. Lawrence and Niagara—and I would like, sir, to provide this summary of what is happening.

Summarizing the sales of Niagara firm power for the benefit of preference customers, we have provided 242,900 kilowatts of Niagara power to municipals and cooperative electric systems in New York State, 177,200 kilowatts from Niagara contracts and 65,700 under St. Lawrence contracts. In other words, we were using Niagara power to supply St. Lawrence customers; 430,000 Niagara kilowatts were sold——

Mr. DINGELL. Mr. FitzPatrick, I think our counsel, Mr. Nordhaus, has a question.

Mr. NORDHAUS. Could you repeat the figure you had for sales to preference customers of the Niagara power?

Mr. FITZPATRICK. Yes. I am going to give you the total now. And this is on page 28 of my full statement, if you wish to follow it.

Mr. NORDHAUS. Go ahead.

Mr. FITZPATRICK. 242,900 kilowatts of Niagara power were sold to municipalities and cooperative electric systems in New York State; 430,000 Niagara kilowatts were sold to the three utility companies serving the combined St. Lawrence-Niagara market area, subject to withdrawal for the future—and we should insert there "reasonably foreseeable" as determined by the Kerr committee and the Power Authority at the time—needs of priority customers of which 250,000 was intended for customers within the State and 180,000 was held in anticipation of demands from without the State. Now, all but 140,000 that I have referred to before of that power has already been withdrawn. 130,000 Niagara kilowatts was sold to cooperatives in Pennsylvania and 50,000 kilowatts to the State of Vermont.

Thus, a total of more than 500,000 kilowatts was sold to or reserved for preference customers in compliance with the Niagara Redevelopment Act, that being all they could use at the time and enough to meet their reasonably foreseeable needs.

However, the statute requires that 50 percent of the power shall be available for sale and distribution primarily for the benefit of people as consumers, particularly domestic and rural customers.

The Authority sold a further 600,000 kilowatts of Niagara nonwithdrawable firm power to the three companies serving the economic area which I have pointed out for 25 years on a nonwithdrawable basis for the benefit of domestic and rural consumers. And that, we contend, more than meets the requirement of the statute.

There have only been two disputes between the Authority and power entities in outside States in which the Federal Power Commission action was requested. The first occurred with respect to the St. Lawrence project.

Mr. OTTINGER. Can we skip that? That is not in contention. We have been at this an hour, and I would like to get to the other witnesses.

Mr. FITZPATRICK. The Authority negotiated—well, this was involved—in other words, you have no problems or questions with our allocations of out-of-State power, is that right?

Mr. OTTINGER. Right.

Mr. FITZPATRICK. And you knew that some Ohio municipals had evidenced interest in the Niagara power?

Mr. OTTINGER. I am familiar with both the Ohio and Vermont disputes.

Mr. FITZPATRICK. And the fact that Ohio has been in the past seeking a share of the Niagara power? It becomes important because there is only so much to go around.

I have discussed the sales of firm power. Sales of nonfirm power and energy are discussed in the full statement which was provided to your committee and the materials sent to you in my two letters.

I think, Mr. Chairman, it should be pointed out that at the time the Niagara project began operations, the differential between the cost of Authority power and the cost of power from other sources was not great. The St. Lawrence and Niagara power was sold at 4.63 mills at 70 percent load factor. The Niagara Mohawk was producing power at that time for 6 mills; Ohio for 4; and Pennsylvania was produced at 5 mills. This, I have pointed out, was a consideration

initially as with respect to those municipals who sought service from the Power Authority.

It should also be noted that no request for Niagara or St. Lawrence power was received from the city of New York, other priority customers in the New York metropolitan area, or the utility companies serving the metropolitan area until many years after the St. Lawrence and Niagara power was sold.

A dramatic increase in electric power rates brought about largely by the Arab boycott has changed the situation. Thus, there has been an awakening of interest in Niagara, but even Niagara is not inexhaustible. Most of its power was contracted under conditions which circumstances and the Congress dictated. The withdrawable power which remains will be required, as I have said, by existing customers and for several small new systems being established. Several municipal systems which have become Authority customers in recent years, principally Jamestown and three Long Island municipals are awaiting power allocations which they will receive as soon as withdrawals which have already been put in motion are accomplished.

I think it should be noted also——

Mr. OTTINGER. Can you give us the amounts that you anticipate that those entities will be receiving?

Mr. FITZPATRICK. I will have them for you in just a moment, Mr. Ottinger. It is approximately 85,000 killowatt.

I think it should be noted too, that, while we are dealing with—understandably with Westchester, the Authority has had requests for the establishment of other very large municipal systems. For instance, the County of Erie has at least considered the advisability of seeking power from the Power Authority, enough to serve the entire County of Erie at Niagara Falls, and I am sure you are familiar with this.

And in each instance, we have said basically what we are now saying, that the power is committed. It was committed under what we believe to be totally proper contracts. The withdrawable power that remains is destined for the customers whose needs we have contracted to provide for over a foreseeable period of time. And the only way that any large systems could get power would be from the construction of new facilities, which would in some instances have to be specifically authorized if they didn't fall within the umbrella of existing legislation.

And that is why again, sir, with all due respect, I was attempting initially to recite the importance of what we are trying to build and asking for your help. Within a few years, the Authority's municipal and rural electric cooperative systems will turn to the Authority's nuclear plant. The contracts for nonwithdrawable power to utilities for the sole benefit of the rural and domestic customers run until the end of 1985 for St. Lawrence and 1990 for Niagara power. Any attempt to abrogate those contracts would, of course, be, I am sure, a matter of very real concern to the entities that are involved, and there are a great number of them.

We feel that we have complied fully with the St. Lawrence license and the Niagara license. I want to make clear that the Authority has been doing everything which it has been authorized to do for the benefit of the metropolitan area of the city of New York and

particularly for the city's public agencies, such as the Metropolitan Transportation Authority, Port of New York Authority, and other public entities.

Contracts for the sale of power from the two plants purchased from Consolidated Edison in an incomplete state in an effort to be of assistance to the area in question, the nuclear plant in Westchester, and the Queens County plant, have either been entered into or in the process of being entered into.

The two large authorities which I mentioned, numerous housing authorities, villages and towns, some in New York City and many in Westchester County. There are, in fact, as far as Westchester County is concerned—we have already sent to the Governor—and he has approved 17 contracts for entities in Westchester County. Hearings have been held on 29 more, for a total of 46, and there are at least 18 that are still pending, awaiting hearing by the Power Authority. A total up to the time of my last tabulation of 64 entities, New York City and Westchester combined.

Under great difficulty, we are pushing applications before the nuclear regulatory commission for a license for our nuclear plant in Greene County and before the State public service commission for our plant on Staten Island. The State public service commission and the State laws share jurisdiction with the nuclear regulatory commission of the proposed nuclear plant, and proceedings are pending.

Mr. DINGELL. This is in regard to the initial licensing, am I correct?

Mr. FITZPATRICK. Yes; the Authority is also pushing, as it has been for more than 3 years, its application before the Federal Power Commission for a license for another 1,000 megawatts pumped storage plant, chiefly for the benefit of the Southeastern part of the State of New York.

The difficulties are great. Overlapping jurisdiction is a serious problem, both Federal and State laws. I believe we should do all in our power to expedite the construction, and it is for that reason, sir, that I have the temerity to ask your——

Mr. DINGELL. It was not temerity on your part and I take no offense. I am just a stickler about the jurisdiction of the committee and the Congress.

Mr. FITZPATRICK. No question about that, sir. None at all. But we are asking for help so we can do the things that people want us to do, which we feel we are not now being equipped to do with the facilities that we have under the laws under which we are operating.

We have attempted to comply.

[Testimony resumes on p. 55.]

[Mr. FitzPatrick's prepared statement and attachments follow:]

STATEMENT OF JAMES A. FITZPATRICK, CHAIRMAN, POWER AUTHORITY OF THE STATE OF NEW YORK

I am happy to have an opportunity to appear before the Committee and to supply information requested concerning the Power Authority's compliance with the provisions of the Niagara Redevelopment Act (16 U. S. C. §836) and with its Federal Power Commission licenses in its sales of power from projects licensed by the Commission.

First I would like to briefly describe what the Power Authority is.

It is a public benefit corporation. It was established by New York State Law in 1931 for the sole purpose of constructing generating facilities on the St. Lawrence River in conjunction with Ontario Hydro for the purpose of harnessing the international rapids section of the river for the production of electric power. The Power Authority Act has been amended several times since to direct the Authority to carry out further responsibilities.

The governing body of the Authority consists of five Trustees appointed by the Governor of the State of New York, one of whom is appointed each year for a five-year term. New York State Senate confirmation is required.

The Chairman is the chief executive officer of the Authority but the day-to-day operations of the Authority are performed under the

supervision of the General Manager with a staff recruited from all over the United States.

The Authority is not dependent upon State appropriations in any way. It did borrow money from the State to get construction of its first two projects started but the money has long since been repaid.

The Authority's projects are financed by the proceeds of the sale of revenue bonds which are sold without State or Federal credit, neither of which the Authority enjoys. Interest on and amortization of the bonds are paid out of revenue from the sale of power and from interest earned on its reserve funds.

Power is sold without profit.

In 1951 the Authority's charter was amended to include construction of a generating project on the Niagara River to take advantage of the United States' share of the additional Niagara water made available for power purposes under the 1950 Treaty Between the United States and Canada Concerning the Use of the Waters of the Niagara River (1 U.S.T. 694).

In 1968 and 1972 the Authority's legislative charter was again expanded to allow it to construct additional power projects for limited purposes, specified in the statutes.

In 1974 legislation was enacted authorizing the Authority to acquire two partially completed generating plants, one in New York City and one in Westchester County, from the Consolidated Edison Company of New York in order to alleviate Con Edison's financial distress, to insure completion of

the plants and to assure an adequate supply of electricity in the New York Metropolitan area.

The Authority's net generating capability including that of the two purchased plants is now 6,670 mw. This respresents approximately 22% of all the generating capacity in the State. In 1975 the Authority produced more than 26 billion kwh of energy although the most recently completed plant built by the Authority was in full operation only part of the year. This represented 25% of all energy produced in the State that year. When both purchased plants are in commercial operation the energy percentage will be approximately 32% if current Niagara and St. Lawrence flows are maintained and somewhat lower if they are reduced.

The Authority has built three projects pursuant to Federal Power Commission licenses. They are the St. Lawrence Project (Project No. 2000) constructed between 1954 and 1958 with a nameplate capacity of 912 mw, the Niagara Project (Project No. 2216) constructed between 1957 and 1962 with a nameplate capacity of 1,950 mw, plus 240 mw of pumped storage capacity and the Blenheim-Gilboa Pumped Storage Project (Project No. 2685) constructed between 1968 and 1973 with a nameplate capacity of 1,000 mw.

In addition to the three projects licensed by the Federal Power Commission the Authority has constructed and is operating an 821 mw nuclear plant near Oswego, New York licensed by the Atomic Energy Commission (now the Nuclear Regulatory Commission) and has substantially

completed the 965 mw nuclear plant in Westchester County licensed by the Nuclear Regulatory Commission and the 826 mw oil-fired plant in Queens County purchased from Consolidated Edison. The Westchester nuclear plant is producing electricity and has begun commercial operation. The New York City oil-fired plant is nearing completion and is expected to produce power later this year.

The Authority currently has pending before the Nuclear Regulatory Commission an application for a license for a 1,200 mw nuclear plant in Greene County, New York and has an application before the Federal Power Commission for a second 1,000 mw pumped storage plant in Schoharie County. It also has an application pending before the State Public Service Commission for a license for a coal and refuse-fired 700 mw plant on Staten Island in New York City. All three of those plants were authorized by the 1972 legislation principally to supply power to the New York metropolitan area.

There is no Federal statute regulating sale of power from the Blenheim-Gilboa Pumped Storage Project. The Federal Power Commission license for the project does not do so either.

There are no Federal statutes or Federal Power Commission license provisions regulating sale of power from the St. Lawrence Project except Article 28 of the Project license which reads as follows:

> "The Licensee shall make a reasonable portion of the power capacity and a reasonable portion of the power output available for use within the economic market area in neighboring States and shall cooperate with agencies in such States to insure compliance with this requirement. In the event of disagreement between the Licensee and the power marketing agencies (public and private) in any of the other States within the economic market area, the Licensee further agrees that the Commission may determine and fix the applicable portion of power capacity and power output to be made available hereunder and the terms applicable thereto;

> Provided, that if any State shall have designated a bargaining agency for the procurement of such power capacity and power output on behalf of such State, the Licensee shall cooperate and deal only with such agency in that State."

It is clear that the Authority has the responsibility to deal with power applicants from neighboring states and to determine what, if any, allocations should be made to such states. It is only when there is a disagreement between the Authority and the power marketing agency of another state that the Federal Power Commission comes into the picture.

The Niagara Redevelopment Act of 1957 adopted the language of the St. Lawrence license with respect to availability of power in neighboring states almost completely.

The Act directed (i) that 50% of the power be considered primarily for the benefit of the people as consumers (ii) that as to such 50% preference be given to public bodies and non-profit cooperatives within economic transmission distance of the project (iii) that contracts for the part of the 50% which is sold to private utilities provide for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers (iv) that a reasonable portion of the 50% be made available for use within reasonable economic transmission distance in neighboring States, but that not more than 20% of the 50% shall be required to be made available in such states.

In order to put the preference provisions of the Niagara Redevelopment Act in perspective it is necessary to consider the situation which prevailed during the period between the adoption of the 1950 Niagara Treaty and the passage of the Act in 1957. A reservation to the Senate's consent to the

ratification of the treaty required that no development to take advantage of the additional Niagara water available to the United States for power pursuant to the Treaty could be constructed without specific authorization of Congress.

All Niagara water available for United States use under prior international agreements was being utilized by the Niagara Mohawk Power Corporation in two plants. The larger and more modern of the plants, known as the Schoellkopf plant, was largely destroyed by a rock slide in 1956.

Between the ratification of the treaty and the rock slide, there was controversy in Congress over what type of entity should build a power project to take advantage of the additional Niagara water. Contending forces advocated development by the Federal Government, by the Power Authority and by a group of private power companies in New York which had formed a corporation for the purpose. There was little support for Federal development after 1954 and after the rock slide the private entities abandoned their efforts to obtain authorization for the development.

A new controversy flourished however. It had to do with the circumstances under which the Authority would be authorized to construct the project and largely involved the question of whether typical Federal preference provisions would be included in any authorization for Power Authority development. Bills authorizing Power Authority development but with absolute preference in the purchase of power to governmental entities and non-profit cooperatives were

introduced. Bills to authorize the development without any preference provisions were also introduced. The Authority sponsored legislation patterned after the New York statute under which it was established and which provided for a qualified preference to rural and domestic consumers and especially to municipal electric systems. The Authority sponsored bill's preference provisions differed from Federal type preference provisions which give absolute preference to public bodies and rural electric cooperatives. *

In 1956 the Honorable Jacob K. Javits, then Attorney General of New York, advised Congress that it was extremely doubtful that the Power Authority, which was a creature of the State, could accept a license with absolute preference provisions particularly because there were so few preference customers within the State that adherence to such provisions would require the bulk of the power to be sold outside the State.

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*Subdivision 5 of Section 1005 of the Power Authority Act which relates to the St. Lawrence and Niagara projects provides that in order "***to secure a wider distribution of such power and use of the greatest value to the general public of the state, the authority shall in addition to other methods which it may find advantageous make provision so that municipalities and other political subdivisions of the state now or hereafter authorized by law to engage in the distribution of electric power may secure a reasonable share of the power generated by such projects, and shall sell the same or cause the same to be sold to such municipalities and political subdivisions at prices representing cost of generation, plus capital and operating charges, plus a fair cost of transmission, all as determined by the trustees, and subject to conditions which shall assure the resale of such power to domestic and rural consumers at the lowest possible price***"

In 1957, Mr. Javits' successor, Attorney General Louis J. Lefkowitz also advised Congress that there was extreme doubt that the Authority could accept a license with absolute preference provisions. One of his reasons was that under New York law rural and domestic customers served by private companies as well as those served by municipal systems and rural electric cooperatives are entitled to benefits from Authority power.

Extensive hearings were held by the Senate Public Works Committee under the chairmanship of Senator Robert Kerr in 1957.

The then Chairman and then General Counsel of the Authority told the Committee that the Authority could not accept a license containing Federal preference provisions under its legislative charter.

The Senate Public Works Committee drafted compromise legislation based largely on the Authority bill. It became the Niagara Redevelopment Act.* As you are aware, it established novel preference provisions.

The Act "expressly authorized and directed" the Federal Power Commission to issue a Niagara license to the Authority and mandated that among the license conditions the Commission should include the preference provisions prescribed in the Act including provisions for sales to preference customers in neighboring states.

In addition to incorporating the language of the St. Lawrence license with respect to sales in neighboring states, the Act provides that arrangements for sale of power in neighboring states must insure that the preference provisions of the Act are followed in the States to which power is sold.

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*The House Committee on Public Works which had held hearings on various Niagara redevelopment bills in 1956 adopted the language of the Senate bill. It was the House bill which was passed in both houses.

The preference language of the Act relating to sales within New York State in many respects largely follows the language of the New York Power Authority Act.

The Niagara license issued to the Authority repeats the language of the Niagara Redevelopment Act.

In discussing the Authority's conformance with the St. Lawrence and Niagara licenses and the Niagara Redevelopment Act in the sale of power, I believe it desirable to discuss the sale of St. Lawrence and Niagara power together. A principal reason for this is that the two projects while financed by separate bond issues were financed under one general bond resolution and the revenues from the two projects, while kept separately, are jointly used in meeting interest and amortization costs and operation and maintenance expenses of the two projects. Power from the two projects is intermingled for sales purposes.

Rates for power from both projects are identical and have been since Niagara power was first produced.

St. Lawrence and Niagara Power Sales

We have already furnished the Committee as requested information with respect to sales of St. Lawrence and Niagara power both within and outside the state. However, I am attaching to this statement tables listing all sales of firm and interruptible power from both projects. The tables include information with respect to the termination dates of each contract.

St. Lawrence Sales

Table I lists sales of 833,800 kw of firm power from the St. Lawrence Project.*

The 1931 statute under which the sales were made, in giving preference to rural and domestic consumers, particularly those served by municipal electric systems, provided that sales to industry shall be a secondary purpose. However, it authorized sales to high load factor industry located near the site of the project and stated that it did so to bring down the cost of power to rural and domestic consumers. It is significant that the only transmission lines it originally authorized the Authority to build were lines from the project to such industries.**

The Authority in selling St. Lawrence power conformed to its Federal Power Commission license and to the State statute with respect to selling power out-of-state and conformed to all other provisions of the State statute.

Despite the fact that the 1931 statute required that the St. Lawrence and later the Niagara Project be considered as for the benefit of the entire state, limitations on the quantity of power available and lack of adequate transmission facilities restricted the size of the economic market area of the projects.

The 1931 statute assumed that all electric needs in a very substantial area would be supplied by the Authority. If the St. Lawrence Project had been built in the 1931 era the output would have been sufficient to supply about half of the electric energy needs of New York State.

*This is slightly more than the firm capacity of the project. It is practical to sell more than the firm capacity of a power plant because of the diversity of the customers' loads. Part of the excess above firm capacity is supplied from Niagara.

**The provisions of the Act were very largely copied in the Federal Legislation under which the Tennessee Valley Authority sold a great deal of power, both to preference customers and to industry and brought about great developments in the Tennessee Valley area.

This was no longer the case in the middle and late 1950s. As a result the St. Lawrence economic market area was determined to be an area most of which is within approximately 150 miles of the project. If the power had been sold over a larger area the economic impact would have been de minimus. Moreover the limited transmission facilities available at that time made it impossible to carry power a great deal further at reasonable rates.

The drafters of the 1931 statute contemplated that a proliferation of electric municipal systems would come about as a result of the St. Lawrence Project. This had not come about by 1958 when the St. Lawrence Project began operation and still has not come about.

In 1931 there were 47 electric municipal systems in the state most of which were formed around the turn of the century. Between 1931 and the present only one additional municipality, Plattsburgh, has engaged in the distribution of electricity. It began operation in 1941. During the intervening period three municipalities, Herkimer, Dunkirk and Delevan, went out of the electric business. By referendum the establishment of a municipal system in the City nearest to the project, Ogdensburg, was turned down while the project was under construction in 1955. Recently two municipalities have voted to establish municipal systems, Massena in 1974 and Sherrill in 1976. Neither has succeeded in establishing a system yet.

Among the first St. Lawrence contracts entered into by the Authority one was with Vermont. It had established an official bargaining agent for Authority power and demanded power immediately upon the initiation of the

project. The contract with Vermont was for 100,000 kw.

Massachusetts and New Hampshire also asked for St. Lawrence power and filed complaints with the Federal Power Commission when the Authority refused it. Massachusetts hired an engineering consultant to report on the economic viability of the importation of St. Lawrence power into Massachusetts. The consultant issued a negative report after which both Massachusetts and New Hampshire withdrew their complaints to the Federal Power Commission.

All municipalities and rural cooperatives in the State including some outside the determined economic market area were offered St. Lawrence power provided the distances involved were not so great as to make it impractical or impossible to deliver it. Power was sold to all which indicated a desire for it.

Originally 12 municipalities and 3 cooperatives purchased St. Lawrence power with a total demand of 80,500 kw. There are now 14 municipalities and 3 cooperatives purchasing St. Lawrence power with a total demand of 202,800 kw. When more power has been requested by any of those entities to meet load growth of their customers their allotments have been increased to provide it. (Their increasing requirements have recently been supplied from Niagara).

The economic survival of the North Country mandated that sufficient St. Lawrence Project power be sold to the Aluminum Company of America (ALCOA), by far the largest employer in the area, to keep the company in Massena and to promote expansion. Hence, nearly a quarter of the project's firm power and some interruptible power was sold to ALCOA for a term ending in 1996 with up to half of both firm and interruptible power and energy being withdrawable at the option of the Authority in 1986. As Table I shows

the amount sold was 174,000 kw of firm power and 65,000 kw of interruptible power. *

The only way to improve the economic health of the area at the time was to sell power to the aluminum industry.

The Authority therefore negotiated a contract with Reynolds Metals Company under which the company built very expensive aluminum producing facilities at Massena and in turn entered into a contract with General Motors by which General Motors built facilities to use Reynolds' products to fabricate automobile parts.

There was considerable controversy over the sale of power to Reynolds but Governor Averell Harriman approved it contingent upon General Motors' moving to Massena. Before doing so his own counsel held a hearing on the contract supplementing one previously held by the Authority. As Table I shows the Reynolds sale was for 200,000 kw of firm power and 39,000 kw of interruptible power. General Motors was sold 12,000 kw of firm power. The term of each of the two contracts ends in 1992.

Reynolds, General Motors and ALCOA all insisted upon long term contracts in order to justify their investments.

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*ALCOA had been producing aluminum at Massena since 1903 by utilizing part of the St. Lawrence water through a plant it owned and which was to be eliminated by the Authority project, and partly through the use of power imported from Canada the amount of which was about to be substantially reduced in the 1950s. ALCOA's physical plant was greatly expanded during World War II by the Government which built transmission lines and moved power from the south for use in the plant. As a result of obtaining the Power Authority contract, ALCOA built new facilities to take advantage of the Authority power. It insisted on a long-term contract in order to justify the expenditures to be made.

Long-terms were desirable and virtually essential to the Power Authority also in view of its financial problems. When it started at the St. Lawrence it was simply a paper organization which in 23 years of existence had built nothing. It borrowed the $335,000,000 needed to pay for the project in a single issue of bonds in order to insure that it would have enough money to complete the project and thus avoid concern about its ability to borrow money at intervals. Having borrowed the money it needed assurance that it would be able to pay it back. The bonds couldn't be paid off except over a long period of time. The last of the bonds are not payable according to their terms until 1995. At Niagara $753,000,000 was borrowed in seven installments, the Authority's credit having improved as a result of its successfully building the St. Lawrence Project within the amount borrowed. The last of those bonds are required to be paid by 2006.*

The sales to high-load factor industry did in fact bring down the cost of power to rural and domestic consumers as contemplated in the 1931 statute.

The remainder of the power available at St. Lawrence was sold to Niagara Mohawk (115,000 kw) and to New York State Electric & Gas (20,000 kw) for terms ending in 1985. The combined service areas of those companies includes all of the project's economic market area. This power was sold for the benefit of the rural and domestic customers served by the companies. The contracts require the companies to pass on the savings resulting from their purchase of Authority power to their rural and domestic customers in the economic market area of the St. Lawrence project.

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*As it turned out the bonds of both projects will be paid off earlier.

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The amounts of savings are not a matter of simple or precise assessment. The practical solution adopted was to compute the difference between the cost of Authority St. Lawrence power to the companies and the cost of power from other sources including the companies' own generation and to distribute the total among their rural and domestic customers entitled to it. The companies were required to indicate on their monthly bills the amounts of savings thus achieved and to subtract those amounts from the amounts billed pursuant to tariffs approved by the Public Service Commission. This method had to be used because contrary to the assumption which the Legislature made in 1931 there was not enough St. Lawrence power available to provide all the power needed by rural and domestic customers in the economic market area of the project.

The Authority made arrangements with the two companies under which they agreed to wheel St. Lawrence power to the Authority's municipal and rural cooperative customers in the companies' territories.

The Authority purchased from the Government and rehabilitated transmission facilities from Massena to Taylorville which is half way to Utica and 86 miles to the south of Massena. The Government had built the facilities during World War II. The Authority also arranged for the use of connecting lines belonging to Niagara Mohawk from Taylorville to Utica (55 miles). The Authority built transmission facilities from the power plant to Reynolds and General Motors and also from the power plant to Vermont (about 78 miles). Alcoa built its own line from the Project to its plant.

There was no great general demand for St. Lawrence power when it became available so it was some time before all of it was sold and buyers were able to use it.

In the meantime power which was not sold right away was labelled residual power and 50,000 kw was sold to Niagara Mohawk on a withdrawable basis.

Niagara Mohawk also agreed to buy all the firm and interruptible power which nobody else bought.

The Niagara Mohawk contract also covered a fourth category of St. Lawrence power known as secondary power. This is power which is intermittently available for short and largely unpredictable periods. It is different from interruptible power which is available around the clock for several months at a time when water flows are high and then ceases to be available for protracted periods. There was very little secondary power sold from the St. Lawrence Project. No interruptible power was ever available for Niagara Mohawk.

Sale of Niagara Power

A. Sales to Preference Customers in New York State

The first Niagara power contracts were signed on February 10, 1961, the day upon which commercial power became available at Niagara. This followed a long period of investigations, study, negotiations and hearings going back to 1958. Every effort was made to conform both to the Niagara Redevelopment Act, the Federal Power Commission license and the State statute.

For reasons similar to those obtaining at St. Lawrence it was found that the economic market area of the project was the area within approximately 150 miles from the plant.

The St. Lawrence and Niagara market areas overlapped. Hence a joint St. Lawrence - Niagara market area was established. The St. Lawrence economic market area includes two contiguous sections of the Niagara Mohawk service territory in the central and northern part of the State and the Niagara economic market area includes the balance of its service territory which is in the western part of the State. All of Rochester Gas and Electric's service territory and a large part of the New York State Electric and Gas service territory in addition to the two portions in the St. Lawrence market area are in the Niagara Project's economic market area.

All the municipal electric systems in the State except three on Long Island which were beyond economic transmission distance of either project in 1961 and all five rural electric cooperatives were either within the combined market area or were close enough to be served from the projects.

The Authority offered Niagara power to all the municipals and cooperatives which had not bought St. Lawrence power except the three on Long Island which at that time were beyond economic transmission distance. Twenty-two municipals and two cooperatives entered into Niagara contracts when or shortly after Niagara power became available. Seven municipals have done so since. Six municipals initially refused to purchase either St. Lawrence or Niagara power but four of those have done so since. All five cooperatives in the State

bought Authority power either under St. Lawrence or Niagara contracts. Table II which covers sales of Niagara firm and peaking power shows the contract demands of the 29 municipals and four cooperatives presently served.*

The Niagara contracts with municipals and cooperatives like those entered into at St. Lawrence all have terms ending in 1985. Most municipals and cooperatives which entered into Niagara contracts like those which entered into St. Lawrence contracts have had their contract demands increased from time to time.

As in the case of the St. Lawrence Project, the Authority arranged with the utility companies to deliver power to preference customers. In addition the Authority built two 345 kv lines from Niagara to Utica (200 miles). They were the first lines of that voltage built in New York State.

As Table II shows, the present total Niagara contract demand of municipals and cooperatives in New York State is 177,200 kw. An additional 65,700 kw of Niagara power has been allocated to meet the loads of St. Lawrence preference customers.

In presentations to Congress prior to enactment of the Niagara Redevelopment Act the Authority estimated that the reasonably foreseeable load growth of the municipals and cooperatives in upstate New York over a twenty-five year period would be 200,000 kw. It revised that estimate to 250,000 kw while marketing Niagara power. In sales of power to the three utility companies

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*In 1975 the two cooperatives purchasing Niagara power were merged into a single entity.

in the combined market area 430,000 kw was sold to the utilities on a withdrawable basis in compliance with the Niagara Redevelopment Act. Of such amount 250,000 kw was estimated to be needed for the future needs of municipals and cooperatives in New York State.

The three municipals on Long Island were not included in the estimate. Jamestown which later became an Authority customer was included but it was assumed that its own generating facilities would continue to be used. However Jamestown now intends to rely on the Authority for all its power when transmission facilities become available to permit it to do so.

One hundred and eighty thousand kw was the estimated maximum amount needed to be kept available for preference customers in neighboring states. Such amount made up the balance of the 430,000 kw.

At a public hearing held by the Authority on contracts with the utility companies which involved the sale of power withdrawable for municipals and cooperatives, representatives of municipals and cooperatives appeared at the hearings and endorsed the contracts. No objection was made to the amount of power made withdrawable in those contracts.

One hundred and sixty thousand kw has been withdrawn from the utility companies for allocation to preference customers inside the State and 130,000 kw has been withdrawn for preference customers outside the State leaving 140,000 kw which will be used by preference customers when withdrawn. Withdrawal notices already have been served on the utilities for the balance of the withdrawable part to the extent permitted in their contracts. Further notice will be sent as early as the contracts permit.* Upwards of 85,000 kw will be needed for the Long Island municipals and about 54,000 kw for Jamestown to replace its own generation.

*Under the contracts with the utilities withdrawals are required to be on notice and to be accomplished on a graduated basis.

The Authority recently entered into contracts for the sale of Niagara firm power with the three Long Island municipal systems which were considered outside of economic transmission distance when the Niagara Project was built. The initial contract demands which are to be fixed when power becomes available are expected to be 86,000 kw. These contracts do not become effective until withdrawals from utility companies which already have been set in motion are accomplished. The municipal contracts are also contingent upon arrangement for the wheeling of the power. The making of such arrangements is in progress.

From time to time various types of requests by municipals for additional power strictly for industrial purposes or for proposed extensions of territories to take in industry not previously served had to be temporarily denied pending the Authority's construction of additional generating facilities pursuant to a 1968 amendment to the Power Authority Act in order to keep withdrawable power available to meet the future needs of existing customers.

Among the purposes for which the 1968 Act authorized the Authority to build nuclear facilities was the provision of electricity for the future needs of its existing municipal and cooperative customers.

The Authority's 821 mw nuclear power plant at Oswego was built pursuant to the 1968 statute. About half the power available for sale as firm power was sold to utility companies on a withdrawable basis for the benefit of the Authority's municipal and cooperative customers.* The nuclear plant has been in commercial

*Part of the power from thermal plants is not sold as firm power. The energy associated with the firm power not sold is called reserve energy and is sold on an immediately withdrawable basis to utility companies which have contracted to provide support energy when the plant is inoperative or its output is substantially reduced.

operation since 1975 and power has become available from it to meet future requests of Authority municipal and cooperative customers.

B. Sales to Out-of-State Preference Customers

The legislative history of the Niagara Redevelopment Act shows that all material submitted to Congress with respect to out-of-state sales of Niagara power assumed that the only neighboring states within reasonable economic transmission distance were Pennsylvania and Ohio.

Shortly after the Niagara Project was completed a group of cooperatives in Northern Pennsylvania indicated a desire to purchase Authority power. They also indicated that they had transmission problems within Pennsylvania with respect to the delivery of power to various individual members of their group.

It also appeared that adequate transmission facilities were not available to carry power from the Niagara Project to Pennsylvania and that the cost of building transmission facilities strictly for that purpose was likely to be prohibitive in view of the amount available.

For several years the cooperatives attempted to get legislation enacted in Pennsylvania establishing an official bargaining agent for Niagara power but were unable to do so.

A group of municipals in Ohio also stated an interest in purchasing Niagara power but no firm request was made at the time for it.

In the meantime Vermont which already was receiving 100,000 kw of St. Lawrence power demanded that it be sold the entire 180,000 kw of Niagara power which it assumed was available for out-of-state preference customers. That amount represents 10% of the firm power capacity of the project as it was calculated by the Authority's engineers and described to Congress by the Authority.

In 1961 inasmuch as there was little prospect of Pennsylvania or Ohio being in a position to buy Niagara power in the foreseeable future the Authority determined to allocate 50,000 kw to Vermont on a relatively short-term basis on the premise that the contract would not be renewed if other neighboring states with a better claim for Niagara power should ask for and become in a position to purchase Niagara power. Vermont was offered a ten-year contract for 50,000 kw but persuaded the Authority that it needed a longer term in order to be sure that it could amortize the transmission facilities it intended to build in connection with the purchase. As a result a 17 year contract terminating on December 31, 1979 was entered into with Vermont.

By 1966 utilities in New York State had built transmission facilities with enough capacity to carry 100,000 kw of power to the Pennsylvania

border. By that time also, the Pennsylvania cooperatives acting through a parent cooperative called Allegheny Cooperative had succeeded in making arrangements for the transmission of power throughout the Allegheny members' territory by Pennsylvania companies. Accordingly, the Authority entered into a contract with Allegheny for 100,000 kw for a term ending in 1976.

In 1974 the Authority negotiated an amendment to the 1973 agreement with Allegheny subject to the results of the required hearing process and approval by the Governor. The amendment provided for the allocation of a further 30,000 kw of Niagara power to Allegheny. This made the total allocation of Niagara power to Allegheny 130,000 kw which with the 50,000 kw allocated to Vermont represents 10% of the firm power of the Niagara Project.

A public hearing was held by the Authority at which Vermont objected to the allocation to Allegheny and demanded that the 30,000 kw be allocated to Vermont. Shortly thereafter it renewed its demand for the whole 180,000 kw of the Niagara power which had been assumed to be available outside the State.

All of the contracts I have mentioned were subject to public hearings conducted by the Power Authority and were approved by the Governor. Competing states had opportunity to be heard both at the hearings on out-of-state sales and by the Governor.

Vermont filed a complaint with the Federal Power Commission demanding the cancellation of the allocation to Allegheny and asked the Commission to direct the Authority to allocate the 30,000 kw to it. It supplemented this demand by claiming that more than 180,000 kw should be allocated for sale outside the State and in the course of the hearing made a further claim that the Authority should be required to furnish Vermont with Niagara power at 100% load factor despite the fact that its contract with the Authority did not provide for it. Vermont also contended that it was entitled to classes of Niagara power and energy other than firm power and energy. *

Allegheny and Ohio municipals became parties to the proceeding and it was made known in the course of the proceeding that Allegheny had agreed with Ohio municipals that if they got into a position where they were able to accept delivery of Niagara power Allegheny would cede to the Ohio municipals

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*Prior to the hearings Vermont had requested delivery of energy at a load factor higher than that which the Authority considered it was contractually bound to deliver. At both St. Lawrence and Niagara the Authority often made excess amounts of energy available to Vermont. As stated in the body of the statement the Commission agreed with the Authority's interpretation of the Niagara contract.

most of the 30,000 kw which the Authority had allocated to it.

After a trial in which the Authority, Pennsylvania (Allegheny) as well as Vermont and some Ohio municipals participated, the presiding Administrative Law Judge and later the Commission held that:

(1) Vermont was not entitled to the 30,000 additional kw it demanded;

(2) The Authority had a right to sell 30,000 kw to Allegheny as it proposed to do;

(3) The Authority was not necessarily required to sell outside the State a full 10% of the output of the Niagara Project because the statute merely says it is required to sell a reasonable amount not to exceed 10%;

(4) Vermont was not entitled to receive energy at 100% load factor either pursuant to the license, the law or its Niagara contract with the Authority;

(5) The fact that Pennsylvania had agreed with Ohio to relinquish all or part of the 30,000 kw allocation to Ohio if and when it becomes able to accept the power should be accorded no weight; and

(6) The Authority is obligated to make a portion of each class of power it sells including various classes of non-firm power available in neighboring states.

Review of the Commission's order was not sought by any of the parties to the proceeding and the time to seek review has long since expired.

After the Federal Power Commission denied a Vermont application for a stay of execution of the contract with Allegheny the Authority entered

into such a contract, it having already been approved by the Governor of New York. The superceding contract providing the additional 30,000 kw was effective on August 24, 1974. It terminates on February 19, 1978.

Prior to the hearings on the Vermont complaint it never seemed practical or economical for the Authority to sell power other than firm power in neighboring states and no state other than Vermont had ever requested any such power.

The record shows that the Authority has conformed with the Niagara Redevelopment Act and its Niagara license as well as with its St. Lawrence license in the sale of power to neighboring states.

C. Sale of Replacement Power Pursuant to Statute

The Niagara Redevelopment Act directed the Authority to enter into a contract with Niagara Mohawk for 445,000 kw of Niagara power for a period extending to the final maturity date of the bonds initially issued to finance the project. This was conditioned upon approval by the New York Governor and Niagara Mohawk's surrendering the Federal Power Commission license it held for the use of a large quantity of Niagara water and its also waiving and releasing claims it might have against the Authority for loss of riparian and other water rights. The term of the Niagara Mohawk license ran until 1971.

The 445,000 kw was equivalent to the amount produced by Niagara Mohawk's licensed facilities prior to the 1956 rock slide. The statute required that Niagara Mohawk resell that power generally to the industries which had purchased power produced by Niagara Mohawk's plants in the past. The stated

purpose of the statute was to restore low power costs to such industries as nearly as possible.

The great advantage of the provision was that it made all the United States' share of Niagara water available to the Authority and justified the Authority's building a plant with sufficient capacity to utilize it. The Authority's plants utilize a greater head than the Niagara Mohawk plants. The contract provision for the 445,000 kw runs until 2006 and requires that Niagara Mohawk sell the power to industrial customers approved by the Authority without profit at the same price which the Authority charges Niagara Mohawk for the power in accordance with the Niagara Redevelopment Act and the Niagara license. Niagara Mohawk of course is allowed to charge for delivery of the power. The power is sold at very high load factor.

D. Sale of Expansion Power

During the period when the Niagara Project was being built and afterward the Niagara Frontier was in a very depressed state. The unemployment situation was among the worst in the State.

It was quite apparent that of the 50% of the project power not subject to statutory preference a considerable amount in addition to the replacement power should be made available to encourage expansion of industry so as to restore employment and a healthy economy. The Authority allocated 250,450 kw for this purpose for sale to industrial establishments willing to expand or locate in the area. The Authority sold a sufficient amount of the 250,450 kw to satisfy the needs of such industries

to either Niagara Mohawk or the New York State Electric & Gas Corporation, depending in which franchise territory the industry was located, for resale to the industry at the same rates charged the utility company by the Authority. In addition, of course, the utility collects delivery charges.

As Table II indicates Niagara Mohawk now receives from the Authority and sells to industry 233,900 kw of expansion power and New York State Electric & Gas receives and sells 16,550 kw.

Expansion power is distinguishable from replacement power in that expansion power is sold to the utilities at the actual load factor of the industries to which it is resold instead of at the uniformly high load factor at which replacement power is sold.*

E. Sales to Utility Companies For the Benefit of Rural and Domestic Consumers

Summarizing what I have said about sales of Niagara firm power for the benefit of preference customers:

--242,900 Niagara kw was sold to municipalities and cooperative electric systems in New York State (177,200 kw under Niagara contracts and 65,700 kw under St. Lawrence contracts).

--430,000 Niagara kw was sold to the three utility companies serving the combined St. Lawrence-Niagara market area subject to withdrawal for the future needs of priority customers of which 250,000 was intended for customers within the State and 180,000 was held in anticipation of demands from without the State. All but 140,000 kw of the 430,000 kw has already been withdrawn.

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*Replacement power had to be sold at such a load factor because it replaces the 445,000 kw generation Niagara Mohawk produced in the past and that was at 100% or nearly 100% load factor.

--130,000 Niagara kw was sold to cooperatives in Pennsylvania and 50,000 Niagara kw to the State of Vermont.

A total of more than 500,000 kw was thus sold to or reserved for preference customers in compliance with the Niagara Redevelopment Act that being all they could use at the time and enough to meet their reasonably foreseeable needs.

However the statute requires that 50% of the power shall be available for sale and distribution primarily for the benefit of people as consumers particularly domestic and rural consumers.

The Authority sold a further 600,000 kw of Niagara nonwithdrawable firm power to the three companies serving the economic market area of the project for 25 years on a nonwithdrawable basis for the benefit of domestic and rural consumers. The contracts contain specific provisions for the passing on of savings to the companies' rural and domestic customers in the area. (The withdrawable power sold to them was also sold for the benefit of those customers while it lasts.)

A savings formula generally similar to that used at St. Lawrence was adopted. The formula applies to the 600,000 kw of nonwithdrawable firm power sold to the companies and to other classes of power and energy sold to utilities except replacement and expansion power.

Summarizing the Niagara sales it thus may be stated unequivocally:

The Niagara Redevelopment Act requirement that 50% of project power be available for sale and distribution primarily for the benefit of the people as consumers particularly domestic and rural consumers has been met by

direct sales to preference customers and withdrawable and nonwithdrawable sales to the utilities all the benefits of which flow to domestic and rural consumers. The total of such sales is substantially more than 50% of the Niagara firm output.

It should be pointed out in passing that when the Niagara project began commercial operation, this extremely large block of generation resulted in a substantial surplus in the economic marketing area. In order to use the power, the utilities in the area had to shut down some of their plants and curtailed the production from others for a period of years. Therefore, in selling Niagara power the Authority was not able to get the full demand charges contemplated by the contracts for several years after service began. These reduced rates were gradually increased to the full contract demand as power use in the economic market area increased.

At the time Niagara Project began operation the differential between the cost of Authority power and the cost of power from other sources was not great. St. Lawrence and Niagara power was sold at 4.63 mills at 70% load factor. Niagara Mohawk was producing power at that time for 6 mills, the Ohio Valley Electric Company for 4 mills and in Pennsylvania it was produced at 5 mills. It was expected at that time the Pennsylvania cost would go even lower. In addition larger transmission costs had to be added to the costs of Authority power than to the companies' own power

because the utilities' own plants were typically closer to their load centers than the Authority plants.

It should be noted that no request for St. Lawrence and Niagara power were received from the City of New York, other priority customers in the New York metropolitan area or the utility companies serving the metropolitan area until many years after the Niagara power was sold.

An examination of the Report entitled "Hearings on S.512 and S.1037 before a Subcommittee of the Senate Committee on Public Works on the Development of Power at Niagara Falls, New York" issued in 1957 shows that the Power Authority, in its sale of Niagara Project power, conformed with what it told Congress it would do in materials submitted to the committee (p. 69 et seq.) which was holding the hearings that led to the passage of the Niagara Redevelopment Act. It is quite obvious from an examination of the Senate Report that the material submitted was utilized in the formulation of many of the provisions of the Act and that Congress realized that there were not enough preference customers operating power systems in New York so that the amount of their needs together with the amount of power sold to preference customers outside the state would equal 50% of Niagara power for a long time in the future.

The dramatic increase in electric power rates brought about largely by the Arab boycott has changed the situation particularly with respect to the sale of non-firm power.

Sale of Non-Firm Power and Energy

In addition to firm Niagara power the three utility companies in the combined St. Lawrence - Niagara market area purchase a total of 200,000 kw from Niagara of what is known as "A" peaking power. The sale of this power is made possible by pumping water into the pumped storage plant which is a part of the Niagara Project. It is firm power but has a monthly load factor of only 12 1/2 percent. None of this power or the energy associated with it has ever been requested by municipal or cooperative customers within or without the State. It would be useful only to those entities which have other sources of generation.

The three utilities also purchase a total of 200,000 kw of what is called "B" peaking power when available. It is similar to "A" peaking but its availability depends on status of equipment, the flows of the Niagara River and availability of energy from other sources of pumping. Therefore there are long periods when it is not available.

The Niagara utility company contracts like the St. Lawrence contracts call for the sale of secondary power when available. The rate at both plants was initially set at 2 mills per kwh. Similar to the situation at St. Lawrence there were virtually no sales of such power at Niagara.

Because of the unusual operating characteristics of the Niagara Project including its 240 mw pumped storage plant a custom arose several years ago, when the flows were so low that the Authority could not supply minimum contract amounts of energy, by which energy called peaking interchange or residual energy is furnished to utility companies which have contracts for Niagara power and energy under arrangements by which for every 10 kwh provided by the Authority 13 kwh was to be returned by the company. The difference

was based upon the fact that in the use of the pump storage plant there is about a 30 percent loss in the process of pumping water into the upper reservoir and back through the turbines to produce electricity. In recent years instead of a payback arrangement the Authority has been selling such energy to the utility companies which have contracts with the Authority at 3.471 mills per kwh. That rate is based upon the normal price of 2.67 mills per kwh for firm energy plus the 30 percent.

These sales are made pursuant to provisions in the utility company contracts which provide for the sale of other classes of power than those specifically described in the contracts. The utilities are required to pass on the savings they experience through purchase of the energy to their rural domestic customers in the combined St. Lawrence - Niagara market area.

In the light of the Federal Power Commission decision that out-of-state customers are entitled to all classes of Niagara power and energy the Authority will entertain applications from such customers as well as from all priority customers in New York State for each class of power which may be available at St. Lawrence or Niagara. It is doubtful however that it will turn out to be practical for many priority customers to utilize non-firm power or energy.

During the past four years unusually high water flows have occurred on the Niagara and St. Lawrence. These very high flows have resulted in the availability of energy beyond that required to meet the minimum contract demands of the Authority's Niagara and St. Lawrence customers. The bulk of the energy was produced at Niagara rather than

at St. Lawrence. The combined residual or peaking interchange energy sold to utilities amounted to a total of approximately three and one-half billion kwh in each of the years 1974 and 1975.

The residual energy sold to the utilities is also for the benefit of rural and domestic consumers in the combined economic market area.

With the onset of increasing fuel prices several years ago the practice of using fuel adjustment clauses to allow for the resulting increase in cost of electricity has been generally adopted. The typical fuel adjustment clause consists of a formula under which the customer's total electricity rates go up or down, depending upon the cost of fuel or of purchased electricity used during a billing period. Since the residual energy delivered to the utilities reduces the quantity of fuel used particularly for the service of rural and domestic consumers their fuel adjustment charges have been very substantially less than they would otherwise have been. Since the inception of the oil boycott the resultant fuel adjustment savings by the rural and domestic consumers from the available residual energy has been very large amounting to about $30,000,000 in 1974 and a similar amount in 1975.

Residual energy (peaking energy) from Niagara has never been considered as valuable to preference customers and they have never indicated that they thought they could get any advantage out of the use of Niagara residual energy until very recently.

Recently requests were made by some priority customers for some residual power from Niagara. The requests came from the three municipals located on Long Island and the City of Jamestown. Arrangements have been made for the sale of some such power to them. (As I have stated Vermont also expressed an interest in non-firm energy.)

Rates of Authority Power

Mr. Chairman, I believe that the inquiries you addressed to me in your August 25, 1976 and September 7, 1976 letters including questions about rates at which Authority power is sold were answered in my September 9 and September 20 letters to you or in what I have said today. However I should like to make some additional observations on the subject of rates.

The bond resolution under which the St. Lawrence-Niagara bonds were sold requires that all revenues from the two projects be used solely for the purposes of those projects until the bonds are all retired.

Section 1010 of the Power Authority Act authorizes the Authority to pledge any revenues of the Authority not otherwise committed to the payment of bonds of the Authority issued for projects other than those from which the revenues are obtained.

Such pledges were made with respect to St. Lawrence and Niagara revenues effective after their bonds are paid off so that such revenues will help pay off the bonds of the later projects and help keep their rates down.

Revenue from the projects other than hydro projects may also be required to help pay obligations arising from all other projects.

Power from the various Authority projects is already being used to provide some of the requirements of other projects.

Monitoring

Mr. Chairman, in your September 7th letter you stated that you are interested in the degree to which the Federal Power Commission has monitored the Authority's compliance with its licenses and the extent to which the Commission has scrutinized the power pooling agreements to which the Authority is a party.

I think I have made clear the extent to which the Commission has jurisdiction over the Authority's sale of power and the fact that the Authority has complied with its licenses and with the Niagara Redevelopment Act in selling such power.

To the extent that complaints were made to the Commission with respect to allocation of power outside the State the Commission has been diligent in taking up the subject of the complaints. The only one which came to a hearing is the Vermont complaint which I described.

With respect to Power Pool arrangements, while the Power Authority is a member of the New York Power Pool for operational and planning purposes it is not a member of the Power Pool as far as the pooling of power is concerned. The Authority does not participate in commercial transactions through the Power Pool.

TABLE I

ST. LAWRENCE PROJECT CONTRACTS

Contract Number		Firm Power KW	Interruptible Power KW	Date of Termination
S - 1	Aluminum Company of America	174,000	65,000	Dec. 1, 1996[1]
S - 2	Public Service Board of the State of Vt.	100,000		June 30, 1985
S - 3	City of Plattsburgh, New York	76,000		June 30, 1985
S - 4A	United States Air Force	10,000		August 9, 1977
S - 5	Reynolds Metals Company	200,000	39,000	Dec. 31, 1992
S - 6	Niagara Mohawk Power Corporation	115,000		June 30, 1985
S - 7	New York State Electric & Gas Corporation	20,000		June 30, 1985
S - 8	Village of Boonville, New York	8,500		June 30, 1985
S - 9	Village of Solvay, New York	42,000		June 30, 1985
S - 10	Village of Rouses Point, New York	7,000		June 30, 1985
S - 11	General Motors Corporation	12,000		Dec. 31, 1992
S - 12	Village of Theresa, New York	1,000		June 30, 1985
S - 13	Village of Philadelphia, New York	1,200		June 30, 1985
S - 14	Village of Ilion, New York	11,000		June 30, 1985
S - 15	Village of Mohawk, New York	3,500		June 30, 1985
S - 16	Village of Hamilton, New York	7,200		June 30, 1985
S - 17	Village of Skaneateles, New York	3,400		June 30, 1985
S - 18	Village of Frankfort, New York	2,700		June 30, 1985
S - 19	Delaware County Electric Cooperative, Inc.	7,700		June 30, 1985
S - 20	Oneida-Madison Electric Cooperative, Inc.	2,800		June 30, 1985
S - 21	Otsego Electric Cooperative, Inc.	7,200		June 30, 1985
S - 22	Village of Sherburne, New York	5,900		June 30, 1985
S - 23	Lake Placid Village, Inc.	7,500		June 30, 1985
S - 24	Village of Tupper Lake	8,200		June 30, 1985

[1] On December 1, 1986, the Authority can withdraw up to 119,000KW of firm and interruptible power.

TABLE II

NIAGARA PROJECT CONTRACTS

Contract Number		KW	Date Of Termination
NS - 1	Niagara Mohawk Power Corporation	(1)	(2)
NS - 2	City of Salamanca, New York	8,500	June 30, 1985
NS - 3	Village of Andover, New York	1,000	June 30, 1985
NS - 4	Village of Akron, New York	4,000	June 30, 1985
NS - 5	Village of Wellsville, New York	10,000	June 30, 1985
NS - 6	Village of Fairport, New York	33,000	June 30, 1985
NS - 7	Village of Little Valley, New York	3,500	June 30, 1985
NS - 8	Village of Arcade, New York	15,500	June 30, 1985
NS - 9	Village of Springville, New York	7,200	June 30, 1985
NS - 10	Village of Bergen, New York	1,700	June 30, 1985
NS - 11	New York State Electric & Gas Corporation	(3)	January 1, 1990
NS - 12	Steuben Rural Electric Cooperative, Inc.	12,400	June 30, 1985
NS - 13	Rochester Gas & Electric Corporation	(4)	January 1, 1990
NS - 14	Village of Westfield, New York	10,000	June 30, 1985
NS - 15	Village of Mayville, New York	3,800	June 30, 1985
NS - 16	Village of Churchville, New York	1,600	June 30, 1985
NS - 17	Village of Spencerport, New York	8,500	June 30, 1985
NS - 19	Village of Watkins Glen, New York	3,200	June 30, 1985
NS - 20	Public Service Board of the State of Vermont	50,000	December 31, 1979
NS - 21	Village of Bath, New York	8,000	June 30, 1985
NS - 22	Village of Endicott, New York	7,000	June 30, 1985
NS - 23	Village of Angelica, New York	1,100	June 30, 1985
NS - 24	Village of Silver Springs, New York	600	June 30, 1985
NS - 25	Village of Marathon, New York	2,100	June 30, 1985
NS - 26	Village of Groton, New York	4,000	June 30, 1985
NS - 27	Village of Castile, New York	1,300	June 30, 1985
NS - 28	Village of Penn Yan, New York	8,200	June 30, 1985
NS - 29A	Allegheny Electric Cooperative, Inc.	130,000	February 19, 1978
NS - 31	City of Jamestown, New York	21,000	June 30, 1985
(5)	Village of Freeport, New York	(6)	June 30, 1985
(5)	Village of Greenpoint, New York	(6)	June 30, 1985
(5)	Village of Rockville Centre, New York	(6)	June 30, 1985
(5)	Village of Brocton, New York	2,500	June 30, 1985
(5)	Village of Holley, New York	2,500	June 30, 1985
(5)	Village of Richmondville, New York	2,000	June 30, 1985

(1) Firm 322,000
Replacement 445,000
Expansion 233,900
"A" Peaking 108,000
"B" Peaking 86,000

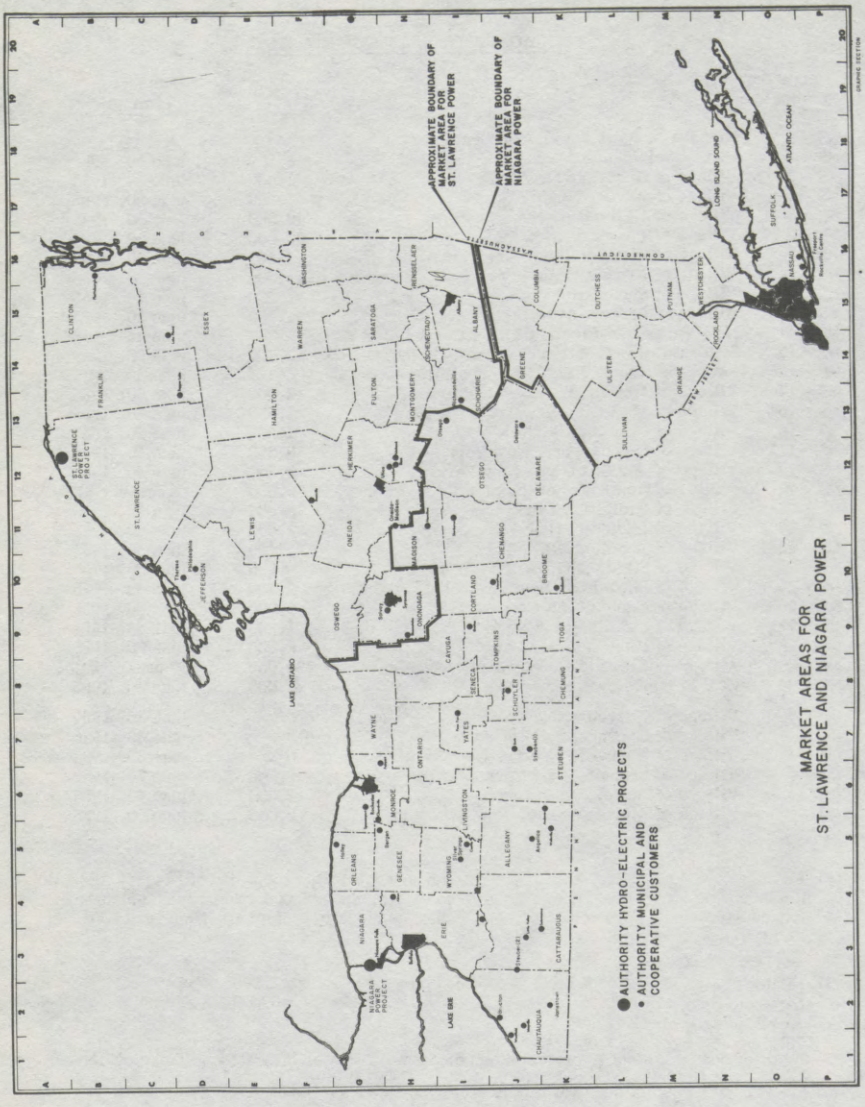
(2) January 1, 1990, except that if Niagara Mohawk so elects, the 445,000 kw of replacement power shall continue in effect until January 1, 2006.

(3) Firm 276,000
Expansion 16,550
"A" Peaking 92,000
"B" Peaking 74,000

(4) Firm 142,000
"B" Peaking 40,000

(5) Contract does not identify project supplying power. Power allocated to these customers was or will be made available from Niagara withdrawals.

(6) Amounts to be established when firm power becomes available.


APPROXIMATE BOUNDARY OF MARKET AREA FOR ST. LAWRENCE POWER
APPROXIMATE BOUNDARY OF MARKET AREA FOR NIAGARA POWER
AUTHORITY HYDRO-ELECTRIC PROJECTS
AUTHORITY MUNICIPAL AND COOPERATIVE CUSTOMERS
MARKET AREAS FOR ST. LAWRENCE AND NIAGARA POWER
LAKE ONTARIO
LAKE ERIE
ATLANTIC OCEAN
LONG ISLAND SOUND

Mr. DINGELL. I think at this point it would be appropriate for me to put correspondence between the Chair and the Power Authority of the State of New York, into the record in order that we may have a full and complete record.

[Testimony resumes on p. 76.]

[The correspondence referred to follow:]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
SUBCOMMITTEE ON ENERGY AND POWER,
Washington, D.C., August 25, 1976.

Hon. JAMES A. FITZPATRICK,
Chairman, Power Authority of the State of New York,
New York, N.Y.

DEAR MR. CHAIRMAN: The Subcommittee on Energy and Power is currently investigating the effectiveness of the Federal Power Commission's activities with respect to the licensing of power projects, transmission facilities and rates, and the extent of its ongoing review of the terms and conditions of licenses it has issued. The Subcommittee's interest follows from its concerns with the Federal Power Act and the Flood Control Act of 1944.

In line with our oversight responsibilities over the FPC, and our interest currently in legislation relating to utility reform, we are particularly desirous of knowing the ways in which the Federal Power Commission has carried out its responsibilities respecting the Power Authority of the State of New York. In line with this, we are interested in the Power Commission's actions under 16 U.S.C. section 836, the Niagara Power Project Act.

I expect that the Subcommittee will desire to hear from you and appropriate Power Authority staff people during a hearing in September. I will contact you again as soon as a firm schedule has been worked out.

At this time, I would appreciate your furnishing the Subcommittee, not later than September 10th, with the following documents: (1) All annual reports published by the Power Authority since its inception; (2) All official statements on bond issues put out by the Authority; (3) A summary of the production of power from the Authority's various facilities and to what purchasers it is contracted, and how; (4) An explanation of the Authority's arrangements with the private investor-owned utilities for transmission of electricity over their lines; (5) The rates which the Authority charges different customers; (6) The method by which the Authority determines those rates.

I expect that the Authority will cooperate fully with these requests. In addition, I hope that my staff will be provided full access to the Authority's library and files and that you will comply with any subsequent requests from the Subcommittee.

Sincerely yours,

JOHN D. DINGELL,
Chairman.

POWER AUTHORITY OF THE STATE OF NEW YORK,
New York, N.Y., September 9, 1976.

Hon. JOHN D. DINGELL,
Chairman Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your August 25, 1976 letter to me we are forwarding under separate cover all annual reports published by the Authority since its inception and all official statements with respect to bond issues of the Authority. For your ready reference the following are the official statements:

General Revenue Bonds (1954 Project)

Date of official statement:	Series
December 21, 1954	A
June 21, 1956	B
May 2, 1957	C
January 5, 1959	E
April 21, 1959	F
January 12, 1960	G
June 20, 1960	H
February 28, 1961	J
November 22, 1963	K
May 6, 1964	L

Revenue Bonds (1970 Project)

Date of official statement:	Series
November 10, 1970	A
March 24, 1971	B
September 14, 1971	D
January 28, 1972	E
June 13, 1972	F
September 26, 1973	G
May 19, 1976	H

General Purpose Bonds (Astoria 6 Project, Projects' Study, Indian Point No. 3 and the Transmission Line Project)

Date of official statement:	Series
January 30, 1975	A
May 15, 1975	B
January 20, 1976	C

You have also asked for information with respect to four other matters. Our responses are set forth below:

A SUMMARY OF THE PRODUCTION OF POWER FROM THE AUTHORITY'S VARIOUS FACILITIES AND TO WHAT PURCHASERS IT IS CONTRACTED, AND HOW

A summary of the production of power from the Authority's various facilities for 1975 is shown in the attached Table 1.

The Authority has entered into contracts with its customers for the sale to them of power and energy from particular projects. The sales of power and energy from a particular project to various customers pursuant to contracts are generally the same in all respects except for the name of the customer, delivery points and the contract demand.

We have set forth on the attached Schedule I a list of all customers with which the Authority presently has contracts. The customers are arranged by project and the contract designations, together with the customers' contract demand in kilowatts as of September 1, 1976, are indicated.

Proposed contracts for sale of power from the Authority's Indian Point 3 and Astoria 6 units to several public bodies in the New York Metropolitan area have been approved by the Authority and transmitted to the Governor of New York for his approval. Additional contracts with other such bodies are under consideration by the Authority. Assuming approval by the Governor, the Authority anticipates serving a portion of the load of the initial group of customers in the relatively near future from the Indian Point 3 unit. Additional load of those and other customers in the New York Metropolitan area will be served when the new Astoria 6 unit becomes available for service about the beginning of 1977.

Contracts for the sale of power from Authority projects are entered into in accordance with Section 1009 of the Power Authority Act. Section 1009 requires that a public hearing be held after agreement of the parties upon the terms of proposed contracts. Following the public hearing the Authority reconsiders the terms of proposed contracts and negotiates such charges or modifications it deems appropriate. After

such contracts are finally agreed upon they are forwarded to the Governor who has sixty days to indicate approval or disapproval. The contracts are executed subsequent to approval by the Governor.

AN EXPLANATION OF THE AUTHORITY'S ARRANGEMENTS WITH THE PRIVATE INVESTOR-OWNED UTILITIES FOR TRANSMISSION OF ELECTRICITY OVER THEIR LINES

Since deliveries to almost all Authority municipal and industrial customers require the use of transmission facilities that are not owned by the Authority, the Authority has entered into agreements with the various utilities (wheeling agents) whose facilities are utilized in effectuating such deliveries.

The Authority's municipal and cooperative customers who receive power from the Niagara and St. Lawrence Projects pay wheeling charges which were based upon the availability of surplus transmission capacity in the utility systems and vary slightly according to the wheeling agent involved. Niagara Mohawk Power Corporation and Rochester Gas and Electric Corporation charge about 1.6 mills per kilowatt-hour at an average municipal and cooperative load factor for the use of their facilities while New York State Electric and Gas Corporation charges about 1.7 mills per kilowatt-hour on the same basis.

Industrial customers located within thirty miles of the Authority's Niagara Project pay a wheeling charge to New York State Electric and Gas Corporation and to the Niagara Mohawk Power Corporation of 31.5 cents/KW-mo. for the use of their facilities for delivery at 115KV and 50 cents/KW-mo. for delivery at lower voltages.

For industrial customers served by the James FitzPatrick Nuclear Power Plant, the wheeling charge depends on their location. For those industrial customers located near the Niagara Project purchasing FitzPatrick power, the wheeling charge is as described in the previous paragraph for use of Niagara Mohawk facilities. Finally, those FitzPatrick industrial customers in the Albany area pay a charge of 25 cents/kilowatt month and 1.05 mills per kilowatt-hour for the use of Niagara Mohawk transmission facilities from its point of interconnection with the Authority (at Edic) to the point of delivery to each customer. Those customers located near the St. Lawrence Project pay a wheeling charge of 11.7 cents/kilowatt month to Niagara Mohawk for use of its facilities.

The Authority's delivery service agreement with Con Edison with respect to the distribution of power from the Astoria and Indian Point plants will provide for the use of Con Edison's transmission and distribution facilities and other services associated with the delivery of power and energy to Authority customers and compensation to Con Edison therefor. Such compensation will not exceed that received by Con Edison for similar services to its own customers.

THE RATES WHICH THE AUTHORITY CHARGES DIFFERENT CUSTOMERS

Rates to Authority customers are determined by the power source. Currently these rates are:

Conventional Hydro Rates Capacity Charge: $1.00 per month per kilowatt of billing demand; Energy Charge: 2.67 mills per kilowatt hour; Pumped Storage Hydro Rates Capacity Charge: $1.50 per month per kilowatt of contract demand; FitzPatrick Plant Rates Capacity Charge: $3.00 per month kilowatt of billing demand; Energy Charge: 5.0 mills per kilowatt hour.

With respect to deliveries from the Astoria No. 6 and Indian Point No. 3 units to customers located in the New York City Metropolitan area, the charges developed by the Authority reflect a uniform cost at the bus-bar, but result in rates which vary from customer to customer according to allocation of such cost in relation to customer's contribution to the total peak load and differing load characteristics in addition to transmission and distribution losses associated with delivery. This results in a schedule of rates that have demand charges ranging from $4.73 to $7.98 per kw-mo. and base energy charges ranging from 1.12 cents to 1.24 cents per kilowatt-hour.

Some energy is also sold to utility and industrial customers as nonfirm or interruptible for which only the energy charge is applied.

Authority customers also pay transmission charges to the Authority which vary according to geographical location. The Authority has developed its transmission charges based upon the costs associated with the specific lines which serve different areas of New York State.

The Authority's municipal and cooperative customers receiving power from the Niagara Project pay a transmission charge of $.18 per kilowatt month for the use of the Niagara Edic 345 KV line and those served from St. Lawrence pay either $.177 per kilowatt month for the use of the St. Lawrence-Adirondack line, or $4.27 per kilowatt month for the use of the St. Lawrence-Plattsburgh line.

Industrial customers served by the Authority pay transmission charges which vary according to their particular circumstances. Alcoa provides its own transmission facilities from the Authority's St. Lawrence Project to its plant. Reynolds Metals and General Motors share the use of Authority built transmission facilities for which the monthly charges are approximately .14 mills/KWH for Reynolds Metals which takes power at a very high load factor and .36 mills/KWH for General Motors which uses power at a lower load factor. As the two companies' relative demands and/or load factors change the charges will vary proportionately so the total cost of the line is recovered.

For industrial customers served by the James A. FitzPatrick Nuclear Power Plant, the transmission charge depends on their location. Those customers located near the St. Lawrence Project pay a 17.7 cents/KW-mo. charge for use of the Authority's Adirondack-Moses transmission line. For those industrial customers located near the Niagara Project purchasing FitzPatrick power, the transmission charge is 36.3 cents/KW-mo. for use of the Authority's 345 KV Niagara Edic line.

THE METHOD BY WHICH THE AUTHORITY DETERMINES THOSE RATES

The Power Authority Act (New York State Public Authorities Law, Article 5, Title 1) provides that the Authority shall make contracts for the sale of power from its projects which shall provide revenues sufficient to pay all operating and maintenance expenses and to cover interest and amortization and reserve charges sufficient within fifty years of the date of issuance to retire the bonds issued for the projects.

The Authority's bond indentures require the Authority to maintain rates sufficient to produce revenues in each year which, together with other moneys available therefor, will pay the cost of operation and maintenance of all Authority projects, bond service on all of the Authority's outstanding bonds and reserve requirements established by the various bond resolutions.

Thus the Authority's rates pursuant to the requirements cited above, are determined in a manner which will provide revenues which are sufficient to recover the charges associated with its projects.

You have our assurance that we intend to cooperate with further requests which you may have.

Sincerely,

JAMES A. FITZPATRICK,
Chairman.

TABLE I.—PRODUCTION OF POWER, 1975

[Megawatt hours]

Plant and location	Gross generation	Pumping energy
Robert Moses Niagara, Lewiston, N.Y.	[1] 17,388,575	
Lewiston Reservoir pump-generating plant, Lewiston, N.Y.	361,043	599,168
Robert Moses Power Dam, Massena, N.Y.	[2] 7,320,451	
Blenheim-Gilboa pumped storage generating plant, Gilboa, N.Y.	1,226,612	1,758,586
FitzPatrick nuclear power plant, Oswego, N.Y.	2,224,446	

[1] Includes 47,339 MWh of generation in the Ontario Hydro Niagara River plants using water assigned to the power authority, and excludes 423,130 MWh generation in the Robert Moses Niagara plant using water assigned to Ontario Hydro.

[2] Includes 2,120 MWh generated in Ontario Hydro units using water assigned to the power authority, and excludes 13,440 MWh generated in the Robert Moses Power Dam using water assigned to Ontario Hydro.

POWER AUTHORITY CUSTOMERS

Contract	Customer	Contract demand (kilowatt) Sept. 1, 1976
St. Lawrence project:		
S-1	Aluminum Company of America:	
	Firm	174,000
	Interruptible	65,000
S-2	Public Service Board of the State of Vermont	100,000
S-3	City of Plattsburgh	76,000
S-4A	U.S. Air Force	10,000
S-5	Reynolds Metals Co.:	
	Firm	200,000
	Interruptible	39,000
S-6	Niagara Mohawk Power Corp.: Firm	115,000
S-7	New York State Electric & Gas: Firm	20,000
S-8	Village of Boonville	8,500
S-9	Village of Solvay	42,000
S-10	Village of Rouse's Point	7,000
S-11	General Motors Corp	12,000
S-12	Village of Theresa	1,000
S-13	Village of Philadelphia	1,200
S-14	Village of Ilion	11,000
S-15	Village of Mohawk	3,500
S-16	Village of Hamilton	7,200
S-17	Village of Skaneateles	3,400
S-18	Village of Frankfort	2,700
S-19	Delaware County Electric Coop., Inc	7,700
S-20	Oneida-Madison Electric Coop., Inc	2,800
S-21	Otsego Electric Coop. Inc	7,200
S-22	Village of Sherburne	5,900
S-23	Lake Placid Village	7,500
S-24	Village of Tupper Lake	8,200
Niagara project:		
NS-1	Niagara Mohawk Power Corp	(1)
NS-2	City of Salamanca	8,500
NS-3	Village of Andover	700
NS-4	Village of Akron	4,000
NS-5	Village of Wellsville	10,000
NS-6	Village of Fairport	33,000
NS-7	Village of Little Valley	3,500
NS-8	Village of Arcade	15,500
NS-9	Village of Springville	7,200
NS-10	Village of Bergen	1,700
NS-11	New York State Electric & Gas	(2)
NS-12	Steuben Rural Electric Coop., Inc	12,400
NS-13	Rochester Gas & Electric Corp	(3)
NS-14	Village of Westfield	10,000
NS-15	Village of Mayville	3,800
NS-16	Village of Churchville	1,600
NS-17	Village of Spencerport	8,500
NS-19	Village of Watkins Glen	3,200
NS-21	Village of Bath	8,000
NS-22	Village of Endicott	7,000
NS-23	Village of Angelica	1,100
NS-24	Village of Silver Springs	600
NS-25	Village of Marathon	2,100
NS-26	Village of Groton	4,000
NS-27	Village of Castile	1,300
NS-28	Village of Penn Yan	8,200
NS-29A	Allegheny Electric Coop., Inc	130,000
NS-31	City of Jamestown	21,000
	Village of Freeport	(4)
	Village of Greenport	(4)
	Village of Rockville Centre	(4)
	Village of Brocton	2,500
	Village of Holley	2,500
	Village of Richmondville	2,000

See footnotes at end of table.

POWER AUTHORITY CUSTOMERS—Continued

Contract	Customer	Contract demand (kilowatt) Sept. 1, 1976
J. A. FitzPatrick Plant: [5] [6]		
FD-1	Aluminum Co. of America [7]	20,000
FD-2A	Hooker Chemicals & Plastics Corp. [8]	9,300
FD-3	Air Products & Chemicals, Inc	10,000
FD-4	Reynolds Metals Co	26,000
FD-5	Airco Industrial Gases	2,000
FD-6	Airco Speer Carbon-Graphite	7,500
FD-7	Burdox, Inc	7,500
FD-8	E. I. du Pont de Nemours & Co	5,000
FD-9	Dresser Transportation Equipment	14,000
FD-10	Olin Corp	2,600
FD-11	Airco Industrial Gases	11,500
FD-12	Airco Alloys Division, Airco, Inc	14,600
UD-1	Central Hudson Gas & Electric Corp	15,000
UD-2	Consolidated Edison Co. of N.Y.	256,000
UD-3	Long Island Lighting Co	88,000
UD-4	N.Y. State Electric & Gas Corp	36,000
UD-5	Niagara Mohawk Power Corp	105,000
UD-6	Orange & Rockland Utilities, Inc	21,000
UD-7	Rochester Gas & Electric Corp	28,000
Blenheim-Gilboa project:		
PS-1	Niagara Mohawk Power Corp	550,000
PS-2	New York State Electric & Gas Corp	200,000
PS-3	Rochester Gas Electric Corp	150,000
PS-4 [9]	Central Hudson Gas & Electric Corp	100,000

[1] Firm, 322,000; replacement, 445,000; expansion, 233,500; peaking, 108,000; B peaking, 86,000.
[2] Firm, 276,000; expansion, 16,550; peaking, 92,000; B peaking, 74,000.
[3] Firm, 142,000; B peaking, 40,000.
[4] Amounts to be established when firm power becomes available.
[5] Contract demands for FitzPatrick industrial customers are the amounts listed plus losses from the FitzPatrick switchyard to the customer's point of delivery.
[6] Contract demands for utilities vary by season and from year to year.
[7] Full contract demand of 190,000 kW scheduled for December 1976.
[8] Additional 14,600 kW scheduled for April 1978.
[9] Central Hudson's share of Blenheim-Gilboa capacity has been assigned to New York State Electric & Gas Corp., on a temporary basis.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C. September 7, 1976.

Hon. JAMES A. FITZPATRICK,
Chairman, Power Authority Trustees, Power Authority of the State of New York, New York, N.Y.

DEAR CHAIRMAN FITZPATRICK: The Subcommittee on Energy and Power of the House Committee on Interstate and Foreign Commerce requests your participation in oversight hearings dealing with Federal policies as they relate to the operations of the Power Authority of the State of New York. The Subcommittee has scheduled these hearings for 9:30 a.m., Wednesday, September 29, 1976, in Room 2123 of the Rayburn House Office Building, Washington, D.C.

The Subcommittee is particularly interested in ascertaining the extent to which PASNY has complied with the conditions of licenses issued to the Power Authority under the Federal Power Act, whether the Federal Power Commission has conducted any monitoring of such compliances, and the extent to which the Commission has scrutinized the power pooling agreements to which PASNY is a party. The Federal Power Commission is also being requested to testify at these hearings and to address the same issues.

In connection with the Subcommittee's hearings, I am enclosing a questionnaire, the answers to which will be of significant assistance to the Subcommittee in its deliberation of the subject. Your response to this questionnaire by September 20 would be very much appreciated.

Should you have any questions concerning the questionnaire or the hearings, I would appreciate your contacting Mr. Robert Nordhaus, Committee Counsel, at 202/225-3147.

Could you provide the Subcommittee with 50 copies of your prepared statement at least 48 hours in advance of your testimony?

We are looking forward to your participation in the Subcommittee's hearings.
With every good wish.

Sincerely,

JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power.

POWER AUTHORITY OF THE STATE OF NEW YORK,
New York, N.Y., September 20, 1976.

Hon. JOHN D. DINGELL,
Chairman, Committee on Interstate and Foreign Commerce, Subcommittee on Energy and Power, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of September 7 requesting my participation in Subcommittee hearings scheduled for September 29, 1976. I shall be present and shall provide the Subcommittee with 50 copies of my prepared statement in advance of the hearings as you requested.

Enclosed please find the Authority's response to the questionnaire which you enclosed with your September 7 letter with the request that we complete it.

I look forward to participating in the Subcommittee's hearings.

Sincerely,

JAMES A. FITZPATRICK,
Chairman.

Enclosure.

RESPONSE TO SEPTEMBER 7, 1976, QUESTIONNAIRE

Question A.1. What is the Capacity of the Niagara Project?

Answer. The total name-plate rating of the Niagara Project is 2190 MW consisting of 13 units of 150 MW each at the Robert Moses Niagara Power Plant (RMNPP) and 12 units of 20 MW each at the Lewiston Pump Generating Plant (LPGP). The equipment is capable of generating substantially above name-plate rating.

The Niagara Power Project is a very large and complex hydroelectric generating facility. Due to the variability of flows in the unregulated Niagara River, the amount of water in the pump storage reservoir and the maintenance status of the units, the Project's ability to produce power varies from hour to hour, day to day, and season to season. It is not comparable to a baseload fossil plant whose availability of fuel (i.e. energy source) is under the complete control of the owner.

Listed below is the average monthly generation in MW for median and adverse flow conditions based on flows during the period 1900 to 1973:

Month	Median	Adverse
January	1,590	1,210
February	1,590	1,190
March	1,670	1,350
April	1,410	1,100
May	1,520	1,170
June	1,540	1,150
July	1,520	1,090
August	1,480	1,070
September	1,440	1,067
October	1,410	1,020
November	1,680	1,350
December	1,670	1,350
Average	1,543	1,176

In determining the Project's capability to generate power, it is necessary to consider its average generating capability and its peak generating capability separately since different factors govern each.[1]

The normal peak net capability of the Project for short periods of time under favorable flow and other operating conditions is 2615 MW. Under adverse flow condi-

[1] Refer to testimony by John W. Boston, Director of Power Operations, Power Authority of the State of New York, given in Federal Power Commission Docket E-8746, "State of Vermont Public Service Board vs. Power Authority of the State of New York"—for more detailed information concerning the capability of the Niagara Project under various operating conditions.

tions (taken to be Lake Erie outflows which have been exceeded 95% of the time since 1900) a net plant capability of 2400 MW can be sustained for a period of up to 4 hours each weekday when required for system demand. Hence, the dependable capability evaluated in the context of the Authority's other generating facilities and the requirements of the interconnected New York load is also 2400 MW under adverse flow conditions.

Question A.II(a). State the Maximum Integrated Simultaneous Demand of All Contract Demand Customers for each month, 1972, 1973, 1974, 1975 and January through August of 1976 and State the Date and Time.

Answer. Refer to attached Table 1. The date and time was based on the occurrence of the Authority's peak in-load for each month requested. The Authority's in-load is the sum of the coincident peak loads of the Authority's municipal and cooperative customers, directly served industrial customers and transmission line losses and local use for both the Niagara and St. Lawrence Projects. Beginning in August, 1975 the Authority in-load used to determine the date and time of the peak included the loads of those industrial customers served from the Authority's J. A. FitzPatrick Nuclear Power Project. The "Maximum Integrated Simultaneous Demand" for the Niagara Project is the sum of the Authority's in-load served from Niagara for each month of the years requested plus the actual firm deliveries to the utility customers served from Niagara.

QUESTIONS AII(A) AND BII(A)

TABLE 1.—MAXIMUM INTEGRATED SIMULTANEOUS DEMANDS (MW)

Date	Hour[1]	Niagara	St. Lawrence
1972			
January 17	18	2,219	776
February 22	19	2,232	712
March 6	19	2,237	712
April 26	20	2,196	850
May 15	11	2,148	875
June 14	12	2,174	882
July 6	11	2,171	902
August 23	12	2,170	894
September 18	11	2,057	878
October 16	10	1,915	861
November 20	19	2,214	836
December 12	18	2,261	842
1973			
January 31	19	2,266	866
February 21	19	2,281	866
March 20	20	2,264	860
April 23	12	2,120	888
May 21	12	2,182	887
June 4	11	2,198	895
July 9	11	2,135	865
August 10	12	2,285	872
September 17	12	2,234	889
October 29	11	1,956	899
November 26	19	2,026	908
December 17	18	2,282	929
1974			
January 2	18	2,165	875
February 25	12	2,017	903
March 19	20	1,958	907
April 15	12	2,049	920
May 13	11	2,041	913
June 27	12	2,065	925
July 8	11	2,090	918
August 5	12	1,895	922
September 23	10	1,844	915
October 21	20	2,105	924
November 25	19	2,151	926
December 16	18	2,232	936

QUESTIONS AII(A) AND BII(A)

TABLE 1.—MAXIMUM INTEGRATED SIMULTANEOUS DEMANDS (MW)—Continued

Date	Hour[1]	Niagara	St. Lawrence
1975			
January 3	19	2,218	937
February 10	11	1,819	920
March 4	11	2,015	906
April 21	12	2,047	816
May 2	11	2,079	817
June 10	11	2,018	815
July 21	11	2,078	814
August 4	11	1,986	806
September 25	11	1,873	801
October 10	12	1,960	813
November 24	12	1,914	827
December 9	18	2,213	824
1976			
January 22	19	1,984	812
February 26	19	1,805	828
March 2	11	1,871	840
April 26	11	1,864	854
May 24	12	1,975	821
June 28	11	1,952	836
July 22	12	1,919	839
August 26	12	1,983	853

[1] Indicates the end of the hour over which demand was integrated.

Question A.II(b). Please Prepare a Chart with Lines showing the Project's (i) Firm Capacity; (ii) Peaking Capacity; and (iii) Maximum Integrated Simultaneous Demand Stated in (a) above.

Answer. Refer to attached Chart A, entitled Niagara Project. The firm capacity is represented by the horizontal line drawn at 1800 MW. This represents capacity that is committed under firm power contracts with sufficient energy available from Niagara Project to meet requirements under those contracts approximately 70% of all years.

Two hundred (200) MW of capacity represented as firm peaking power is sold under contract as "A" Peaking Power with associated energy available 12½% of the time each month corresponding to about 4 hours each weekday.

Another 200 MW of capacity represented as additional peaking power is sold under contract as "B" Peaking Power with energy normally available 12½% of the time each month when high flows and other conditions make it available for sustained periods.

An additional 200 MW of capacity is represented as Peaking Interchange with energy sold when available.

The graph representing the "Maximum Integrated Simultaneous Demand" as shown on the chart is the sum of the Authority's in-load peak served by the Niagara Project for each month of the years requested, plus the actual firm deliveries to the utility customers.

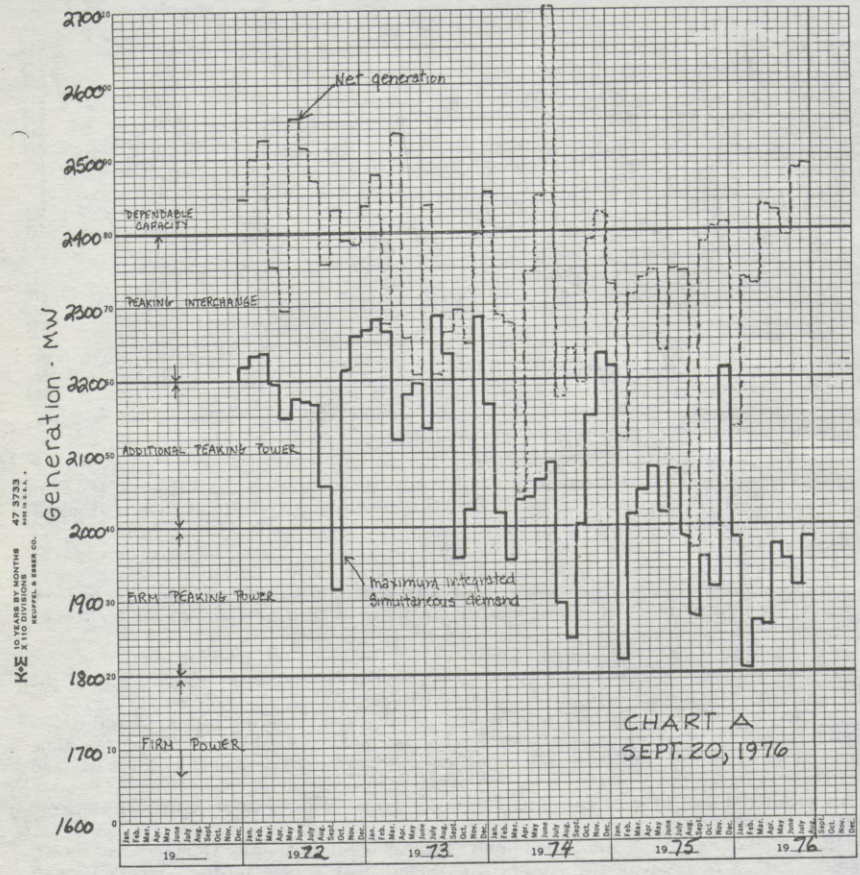
The graph representing the "Net Generation" as shown on the chart is the sum of the "Maximum Integrated Simultaneous Demand" plus the transfers of energy to the St. Lawrence and JAF Projects (as necessary to meet firm contractual commitments) plus scheduled peaking interchange deliveries.

It must be noted that the period of time used on this chart represents a period of unusually high flows including the highest flows of the Niagara River since 1900.

To indicate the effect of variable river flows the net generation in 1964 during which the flows were the lowest since the Project began operation was only 55% of the net generation in 1973.

NIAGARA PROJECT

NET GENERATION AND PEAK DEMAND



Question A.III. Please State the Estimated Maximum Integrated Simultaneous Demand for the Project Power for each Month in Period September 1976 thru December 1979.

Answer. Refer to the attached Table 2. The forecasted maximum integrated simultaneous demand for the remainder of 1976 out through 1979 includes the expected load growth of the Authority's municipal and cooperative customers served by both Projects plus contractual demands for all classes of power except for expansion power that is resold by the utilities to industry. We have done so because the utility contracts permit the utilities to schedule their full contract amount at any time during the peak load portion of the day. Expansion power schedules include expected diversity between those industrial customers and Authority's in-load.

QUESTIONS A–III AND B–III

TABLE 2.—FORECAST MAXIMUM INTEGRATED SIMULTANEOUS DEMAND

[In megawatts]

Date		Niagara	St. Lawrence
1976:			
September	2,186	845	
October	2,183	845	
November	2,194	850	
December	2,218	856	
1977:			
January	2,238	864	
February	2,231	862	
March	2,221	851	
April	2,215	848	
May	2,194	840	
June	2,195	837	
July	2,191	837	
August	2,190	842	
September	2,190	841	
October	2,188	824	
November	2,173	835	
December	2,200	852	
1978:			
January	2,216	861	
February	2,208	860	
March	2,197	848	
April	2,191	846	
May	2,168	838	
June	2,167	836	
July	2,164	835	
August	2,164	840	
September	2,164	839	
October	2,176	839	
November	2,176	851	
December	2,207	867	
1979:			
January	2,241	863	
February	2,231	861	
March	2,215	849	
April	2,206	847	
May	2,185	839	
June	2,202	837	
July	2,200	836	
August	2,204	841	
September	2,194	840	
October	2,200	840	
November	2,202	851	
December	2,236	867	

TABLE A.—DATA CONCERNING POWER ALLOCATED TO AND RECEIVED BY EACH CUSTOMER OF PASNY'S NIAGARA POWER PROJECT

Name of contractor	Contract number	Date of contract	Date contract terminates	Contract amount (kw)
Niagara Mohawk Power Corp	NS–1	Feb. 10, 1961	(1)	1,194,900
City of Salamanca, N.Y	NS–2	do	June 30, 1985	8,500
Village of Andover, N.Y	NS–3	do	do	1,000
Village of Akron, N.Y	NS–4	do	do	4,000
Village of Wellsville, N.Y	NS–5	do	do	10,000
Village of Fairport, N.Y	NS–6	do	do	33,000
Village of Little Valley, N.Y	NS–7	do	do	3,500
Village of Arcade, N.Y	NS–8	do	do	15,500
Village of Springville, N.Y	NS–9	do	do	7,200
Village of Bergen, N.Y	NS–10	July 11, 1961	do	1,700
New York State Electric & Gas Corp	NS–11	Feb. 10, 1961	Jan. 1, 1990	458,550
Steuben Rural Electric Cooperative	NS–12	do	June 30, 1985	12,400
Rochester Gas & Electric Corp	NS–13	Feb. 10, 1961	Jan. 1, 1990	182,000
Village of Westfield, N.Y	NS–14	June 20, 1961	June 30, 1985	10,000
Village of Mayville, N.Y	NS–15	do	do	3,800
Village of Churchville	NS–16	do	do	1,600
Village of Spencerport	NS–17	do	do	8,500
Village of Watkins Glen	NS–19	do	do	3,200
Public Service Board of the State of Vermont	NS–20	do	Dec. 31, 1979	50,000
Village of Bath	NS–21	Apr. 2, 1962	June 30, 1985	8,000
Village of Endicott	NS–22	Apr. 16, 1962	do	7,000
Village of Angelica	NS–23	May 1, 1962	do	1,100
Village of Silver Springs	NS–24	Sept. 10, 1962	do	600
Village of Marathon	NS–25	Mar. 30, 1962	do	2,100
Village of Groton	NS–26	do	do	4,000
Village of Castile	NS–27	Nov. 19, 1962	do	1,300
Village of Penn Yan	NS–28	Oct. 31, 1962	do	8,200
Allegheny Electric Cooperative, Inc	NS–29A	Feb. 20, 1973	Feb. 19, 1978	130,000
City of Jamestown	NS–31	Dec. 31, 1971	June 30, 1985	21,000
Village of Freeport	(2)	July 1, 1976	do	0
Village of Rockville Centre	(2)	do	do	0
Village of Brocton	(2)	May 10, 1976	do	2,500
Village of Holley	(2)	do	do	2,500
Village of Greenport	(2)	July 1, 1976	do	0

[1] Jan. 1, 1990 except that if Niagara Mohawk so elects the 445,000 kW of replacement power shall continue in effect until January 2006.

[2] Contract does not identify project supplying power. Power allocated to these customers was or will be made available from Niagara withdrawals.

TABLE A(1).—NIAGARA POWER PROJECT: NONWITHDRAWABLE FIRM kW AND MWh DELIVERED MONTHLY DURING 1975

Name of contractor	(kW/MWh)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Niagara Mohawk (firm)	kW	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
	MWh	135,999	122,031	139,664	125,490	126,839	124,580	125,823	135,232	126,938	140,466	127,063	125,880	1,556,005
Niagara Mohawk (expansion)	kW	261,183	261,490	257,216	235,448	248,763	231,865	236,198	188,341	198,099	203,358	201,452	198,985	
	MWh	157,080	139,005	157,200	142,080	134,640	127,320	124,680	94,320	91,320	121,500	133,560	128,520	1,551,225
Niagara Mohawk (replacement)	kW	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	
	MWh	314,562	283,722	314,526	304,380	314,526	304,380	314,526	314,526	304,380	314,892	304,380	314,526	3,703,290
Salamanca	kW	7,464	7,592	7,464	7,443	7,209	7,209	7,124	7,422	7,422	7,124	7,570	7,974	
	MWh	3,823	4,031	3,458	3,847	3,174	3,405	3,201	3,429	3,392	3,563	3,802	3,794	42,919
Andover	kW	799	777	756	734	626	583	583	583	648	691	777	928	
	MWh	401	409	352	382	305	300	296	290	307	341	358	399	4,140
Akron	kW	3,296	3,424	3,466	3,445	3,190	3,381	3,402	3,424	3,381	3,211	3,381	3,487	
	MWh	1,527	1,632	1,409	1,541	1,346	1,434	1,430	1,404	1,372	1,433	1,523	1,541	17,592
Wellsville	kW	8,038	8,060	7,762	7,655	7,400	8,208	7,996	8,081	8,208	7,655	7,889	8,570	
	MWh	3,940	4,204	3,645	3,861	3,379	3,729	3,636	3,730	3,682	3,809	3,962	3,864	45,441
Fairport	kW	25,426	26,348	23,391	21,870	20,562	23,156	26,390	24,098	25,020	21,592	25,404	30,781	
	MWh	12,428	13,184	11,318	12,322	10,215	11,856	12,233	11,902	11,608	11,507	12,441	13,781	144,795
Little Valley	kW	2,663	2,792	2,728	2,663	2,514	2,299	2,255	2,427	2,384	2,341	2,514	2,750	
	MWh	1,263	1,294	1,164	1,288	1,083	1,131	1,038	1,155	1,157	1,211	1,268	1,291	14,343
Arcade	kW	12,440	12,589	12,632	12,036	10,803	9,910	9,910	9,761	10,824	11,249	12,653	14,056	
	MWh	5,736	6,442	5,465	5,816	4,595	4,587	4,354	4,050	4,749	5,285	5,743	6,240	63,062
Springville	kW	5,746	6,132	5,531	5,339	5,103	5,510	5,402	5,446	5,638	5,531	5,103	5,531	
	MWh	2,585	2,955	2,489	2,560	2,046	2,260	2,268	2,315	2,373	2,472	2,449	2,394	29,166
Bergen	kW	936	936	829	851	723	1,510	2,403	2,445	2,509	2,190	1,722	1,127	
	MWh	481	475	415	449	366	409	1,015	1,116	1,091	897	690	500	7,904
New York State Electric & Gas (firm)	kW	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	
	MWh	121,379	111,828	123,472	118,534	123,481	114,940	117,761	123,462	117,542	119,564	112,207	114,739	1,418,909
New York State Electric & Gas (expansion).	kW	20,968	18,184	16,370	16,374	16,512	16,507	16,539	16,521	16,550	16,492	16,513	16,483	
	MWh	5,389	6,459	5,770	6,295	6,382	6,885	6,780	6,539	7,055	7,222	7,218	6,574	78,568
Steuben	kW	7,032	7,411	6,842	5,979	5,116	4,505	5,200	5,242	6,084	6,568	7,474	9,221	
	MWh	3,358	3,478	2,961	3,258	2,291	2,161	2,698	2,649	2,771	3,078	3,278	3,892	35,873
Rochester Gas & Electric	kW	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	
	MWh	70,140	64,887	71,574	68,631	68,702	61,118	65,307	65,473	63,060	70,357	63,996	66,629	799,874
Westfield	kW	7,528	7,422	6,996	6,911	6,975	7,741	7,719	8,102	7,911	8,634	7,060	8,081	
	MWh	3,791	3,974	3,392	3,695	3,318	3,676	3,799	3,850	3,782	4,499	3,771	3,682	45,229
Mayville	kW	2,935	2,956	2,998	2,913	2,913	3,19	3,147	3,147	3,211	3,020	2,850	2,998	
	MWh	1,296	1,340	1,183	1,339	1,173	1,352	1,288	1,320	1,289	1,308	1,315	1,290	15,493

See footnotes at end of table.

TABLE A(1).—NIAGARA POWER PROJECT: NONWITHDRAWABLE FIRM kW AND MWh DELIVERED MONTHLY DURING 1975—Continued

Name of contractor	(kW/MWh)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Churchville	kW	1,170	1,170	1,170	1,127	1,063	1,191	1,255	1,361	1,276	1,191	1,318	1,446	
	MWh	539	585	505	560	458	519	543	559	536	572	642	655	6,673
Spencerport	kW	6,528	6,784	6,465	6,741	5,529	4,551	4,848	4,976	4,848	4,934	6,720	7,741	
	MWh	3,275	3,611	3,078	3,282	2,284	2,318	2,322	2,272	2,196	2,466	2,716	3,81	33,201
Chautauqua-Cattraugus [1]	kW	1,726	1,516	1,474	1,347	1,095	968	0	0	0	0	0	0	
	MWh	723	743	624	633	472	480	0	0	0	0	0	0	3,675
Watkins Glen	kW	2,463	2,568	2,463	2,442	2,253	2,632	2,800	2,800	2,842	2,674	2,758	2,968	
	MWh	1,313	1,348	1,171	1,287	1,065	1,241	1,387	1,349	1,253	1,397	1,406	1,432	15,649
Vermont	kW	52,632	52,632	52,632	52,632	52,632	52,632	52,632	52,632	52,632	52,632	52,632	52,632	
	MWh	26,968	25,768	27,979	26,577	27,208	27,095	27,335	28,257	26,665	27,916	26,552	27,752	326,072
Bath	kW	6,716	6,779	6,337	6,126	5,474	5,811	6,379	6,316	6,337	5,705	6,547	7,537	
	MWh	3,509	3,579	3,101	3,346	2,643	2,933	3,057	3,027	2,887	2,996	3,118	3,524	37,720
Endicott	kW	6,021	6,147	5,895	5,853	5,642	6,021	6,168	6,253	6,147	5,242	5,411	6,800	
	MWh	2,964	3,089	2,776	3,034	2,561	2,713	2,766	2,581	2,480	2,555	2,641	2,806	32,966
Angelica	kW	884	926	884	861	711	668	711	646	754	797	884	1,033	
	MWh	478	486	415	449	346	344	343	331	348	388	419	466	4,813
Silver Springs	kW	526	505	484	463	421	421	400	421	421	442	484	568	
	MWh	252	247	217	236	186	200	201	198	199	213	223	236	2,608
Marathon	kW	1,832	1,811	1,663	1,621	1,453	1,284	1,263	1,242	1,411	1,432	1,621	1,811	
	MWh	874	906	780	851	652	637	603	602	621	706	771	818	8,821
Groton	kW	2,989	3,053	3,095	2,968	2,463	2,568	2,316	2,337	2,568	2,611	2,863	3,179	
	MWh	1,276	1,405	1,199	1,364	776	980	916	812	963	1,040	1,183	1,249	13,163
Castile	kW	863	884	779	737	695	653	653	695	737	758	884	884	
	MWh	425	434	372	404	319	342	336	338	346	376	414	397	4,503
Penn Yan	kW	6,800	7,137	6,968	6,926	6,126	6,168	6,526	7,032	7,179	6,126	6,842	7,221	
	MWh	3,397	3,584	3,087	3,444	2,693	2,961	3,079	3,086	2,893	2,957	3,172	3,381	37,734
Allegheny Electric Coop	kW	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	
	MWh	50,485	52,446	51,455	50,182	49,060	49,664	50,203	52,838	48,484	49,298	46,941	45,494	596,530
Jamestown	kW	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	
	MWh	10,350	9,512	10,292	9,717	9,910	9,250	9,045	9,898	9,271	9,331	9,937	9,934	116,447

[1] In June 1975 Chautauqua-Cattraugus R.E.C. merged with the Steuben R.E.C.

TABLE A(2).—NIAGARA POWER PROJECT: WITHDRAWABLE FIRM kW AND MWh DELIVERED MONTHLY DURING 1975

Name of contractor	(kW/MWh)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Niagara Mohawk	kW	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000	
	MWh	50,274	37,595	50,758	42,474	41,131	45,602	43,893	53,359	48,847	54,741	47,398	44,751	560,823
New York State Electric & Gas	kW	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	
	MWh	41,137	32,703	42,033	42,561	43,365	39,236	43,429	51,048	40,761	41,509	41,239	34,107	493,128
Rochester Gas & Electric	kW	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	
	MWh	14,063	10,897	12,102	11,818	13,873	10,506	13,388	11,337	10,486	11,976	10,835	11,199	142,480
Allegheny	kW	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	
	MWh	17,175	17,843	17,505	17,072	16,691	16,896	17,079	17,976	16,495	16,771	15,969	15,478	202,950

TABLE A(3).—NIAGARA POWER PROJECT

Name of contractor	Has PASNY notified customer that any of its withdrawable power would be withdrawn[1]	If column is answered yes, please state—		
		Date of such notification	Date when withdrawal will be effective	Amount of power to be withdrawn (kW)
Niagara Mohawk Power Corp	Yes	Oct. 31, 1975	Nov. 1, 1977	13,000
	Yes	June 24, 1976	Jan. 1, 1977	10,000
	No	June 1977	Jan. 1, 1978	10,000
	No	December 1976	Dec. 31, 1978	12,000
	No	June 1978	Jan. 1, 1979	10,000
	No	December 1976	do	17,000
New York State Electric & Gas Corp	Yes	Oct. 31, 1975	Nov. 1, 1977	10,000
	Yes	June 24, 1976	Jan. 1, 1977	10,000
	No	June 1977	Jan. 1, 1978	10,000
	No	December 1976	Dec. 31, 1978	10,000
	No	June 1978	Jan. 1, 1979	10,000
	No	December 1976	do	6,000
Rochester Gas & Electric Corp	Yes	Oct. 31, 1975	Nov. 1, 1977	5,000
	Yes	June 24, 1976	Jan. 1, 1977	5,000
	No	June 1977	Jan. 1, 1978	2,000

[1] Withdrawal notices not yet given are indicated on the dates and in the amounts which are the earliest and largest withdrawals permitted under contract. The authority expects to issue such notices.

Question B.I. What is the Capacity of the St. Lawrence Project?

Answer. The total name-plate rating of the St. Lawrence Project is 912 MW consisting of 16 units of 57 MW each. The net plant capability under the most adverse operating conditions is 800 MW. The Project's dependable capacity is defined as that level of generation that can be sustained for up to 4 hours each weekday when required by system demand. The 800 MW rating for adverse flows is based upon the regulation plan approved by the International Joint Commission (IJC) which was established under the Boundary Waters Treaty of 1909 between the United States and Canada. Such regulated flows together with corresponding Lake Ontario levels and the expected permissible variation within the day in flows would permit peak generation each weekday of 800 MW for 95% of the time.

Listed below is the average monthly generation in MW for median and adverse flow conditions based on flows during the period 1900 to 1973:

Month	Median	Adverse
January	641	618
February	663	609
March	677	595
April	752	596
May	767	596
June	769	620
July	785	638
August	787	647
September	779	643
October	759	630
November	706	620
December	687	648
Average	731	622

The normal peak capability of the St. Lawrence Project under the most favorable operating conditions is 916 MW. This rating is based on the maximum permissible flow release and corresponding plant operating head under the approved IJC regulation plan for Lake Ontario.

Question B.II(a). State the Maximum Integrated Simultaneous Demand of All Contract Demand Customers for each month, 1972, 1973, 1974, 1975 and January through August of 1976 and State the Date and Time.

Answer. Refer to attached Table 1 above. The date and time was based on the occurrence of the Authority's peak in-load for each month requested. The Authority's in-load is the sum of the coincident peak loads of the Authority's municipal and cooperative customers, directly served industrial customers and transmission line losses and local use for both the Niagara and St. Lawrence Projects. Beginning in August 1975 the Authority in-load used to determine the date and time of the peak included the loads of those industrial customers served from the Authority's J. A. FitzPatrick Nuclear Power Project. The "Maximum Integrated Simultaneous Demand" for the St. Lawrence Project is the sum of the Authority's in-load served from St. Lawrence for each month of the years requested plus the actual firm deliveries to the utility customers served from St. Lawrence.

Question B.II(b). Please Prepare a Chart with Lines showing the Projects (i) Firm Capacity; (ii) Peaking Capacity; and (iii) Maximum Integrated Simultaneous Demand Stated in (a) above.

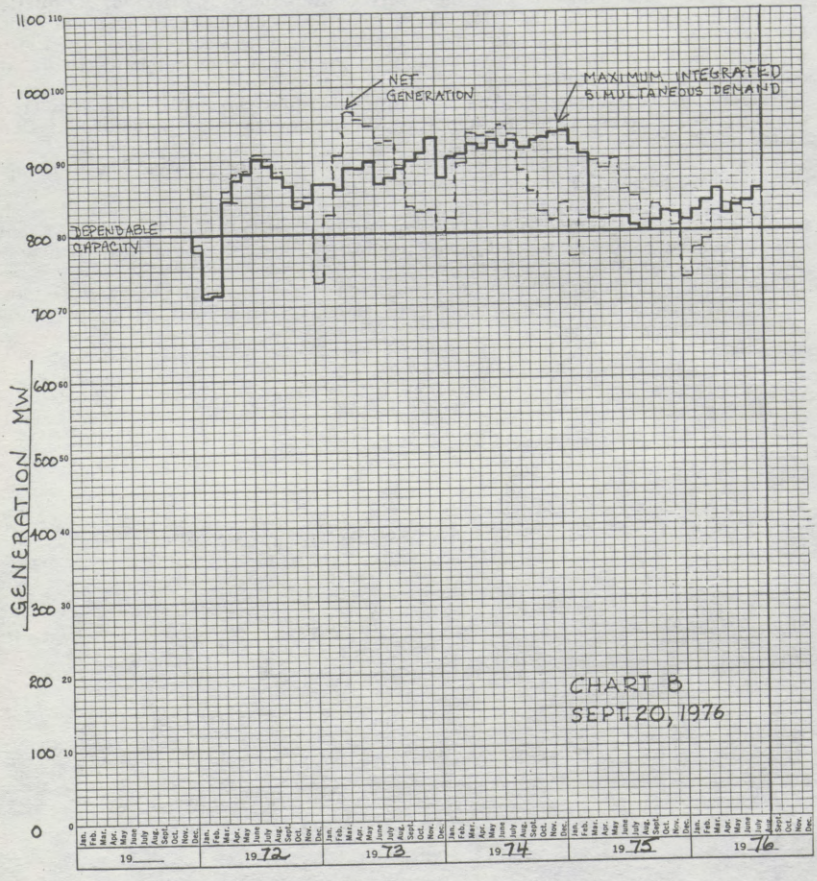
Answer. Refer to attached Chart B entitled St. Lawrence Project. The firm capacity is represented by the horizontal line drawn at 800 MW.

The graph representing the "maximum integrated simultaneous demand" as shown on the chart is the sum of the Authority's in-load peak served by the St. Lawrence Project for each month of the years requested, plus the actual firm deliveries to the utility customers.

The graph representing the "Net Generation" as shown on the chart is the sum of the "Maximum Integrated Simultaneous Demand" plus the transfers of energy to or from the Niagara Project.

St. LAWRENCE PROJECT

NET GENERATION AND PEAK DEMAND



Question B.III. Please State the Estimated Maximum Integrated Simultaneous Demand for the Project power for each month in Period September 1976 through December 1979.

Answer. Refer to the attached Table 2 above. The forecasted maximum integrated simultaneous demand for the remainder of 1976 out through 1979 includes the expected load of the Authority's municipal and cooperative customers served by the St. Lawrence Project plus the contractual demands for firm power sold to utilities. We have done so because the utility contracts permit the utilities to schedule their full contract amount at any time during the peak load portion of the day. Load growth of municipal and cooperative customers served from St. Lawrence Project is included in Niagara Project's forecasted "maximum simultaneous integrated demand" as described above.

TABLE B.—DATA CONCERNING POWER ALLOCATED TO AND RECEIVED BY EACH CUSTOMER OF PASNY'S ST. LAWRENCE PROJECT

Name of contractor (Contract number)	Date of contract	Date contract terminates	Contract amount (kilowatts)
Aluminum Co. of America (S–1)	July 6, 1955	Dec. 1, 1996 [1]	[2] 174,000
Public Service Board of State of Vermont (S–2)	Jan. 25, 1956	June 30, 1985	100,000
City of Plattsburgh, N.Y. (S–3)	do	do	76,000
U.S. Air Force—Plattsburgh (S–4A)	May 16, 1966	Aug. 9, 1977	10,000
Reynolds Metals Co. (S–5)	Mar. 1, 1957	Dec. 31, 1992	[3] 200,000
Niagara Mohawk Power Corp. (S–6)	do	June 30, 1985	115,000
New York State Electric & Gas Corp. (S–7)	July 8, 1957	do	20,000
Village of Boonville, N.Y. (S–8)	Apr. 1, 1957	do	8,500
Village of Solway, N.Y. (S–9)	do	do	42,000
Village of Rouses Point (S–10)	July 8, 1957	do	7,000
General Motors Corp. (S–11)	Aug. 14, 1957	Dec. 31, 1992	12,000
Village of Theresa, N.Y. (S–12)	Feb. 17, 1958	June 30, 1985	1,000
Village of Philadelphia, N.Y. (S–13)	Mar. 5, 1958	do	1,200
Village of Ilion, N.Y. (S–14)	Jan. 23, 1959	do	11,000
Village of Mohawk, N.Y. (S–15)	June 8, 1959	do	3,500
Village of Hamilton, N.Y. (S–16)	July 1, 1958	do	7,200
Village of Skaneateles, N.Y. (S–17)	Feb. 26, 1959	do	3,400
Village of Frankfort, N.Y. (S–18)	Mar. 18, 1959	do	2,700
Delaware County Electric Cooperative, Inc. (S–19)	do	do	7,700
Oneida-Madison Electric Cooperative, Inc. (S–20)	Mar. 13, 1959	do	2,800
Otsego-Electric Cooperative, Inc. (S–21)	Mar. 3, 1959	do	7,200
Village of Sherburne, Inc. (S–22)	Sept. 4, 1958	do	5,900
Lake Placid Village, Inc. (S–23)	Sept. 30, 1967	do	7,500
Village of Tupper Lake (S–24)	do	do	8,200
Village of Richmondville (4)	May 10, 1976	do	2,000

[1] On Dec. 1, 1986, the authority can withdraw up to 119,000 kW of firm and interruptible power. The contract for firm power cannot be reduced below 65,000 kW on that date.

[2] Excludes interruptible power, the maximum rate of delivery for which is 65,000 kW.

[3] Excludes interruptible power, the maximum rate of delivery for which is 39,000 kW.

[4] Contract does not identify project supplying power. Power allocated to these customers was or will be made available from Niagara withdrawals.

TABLE B.—ST. LAWRENCE PROJECT, NONWITHDRAWABLE FIRM KILOWATTS AND MEGAWATT-HOURS DELIVERED DURING 1975

Name of contractor	January	February	March	April	May	June	July	August	September	October	November	December	Total
Alcoa: [1]													
Kilowatts	234,000	234,000	204,887	174,000	174,000	174,000	174,000	174,000	174,000	174,000	174,000	174,000	
Megawatt-hours	164,575	148,383	139,666	95,854	97,687	94,093	96,307	86,847	69,814	97,910	96,248	103,191	1,290,575
Vermont:													
Kilowatts	101,781	101,781	101,781	101,781	101,781	101,781	101,781	101,781	101,781	101,781	101,781	101,781	
Megawatt-hours	52,153	49,832	61,899	73,282	75,725	73,282	75,725	75,725	73,282	75,745	73,282	67,591	827,523
U.S. Air Force:													
Kilowatts	8,000	7,796	6,758	6,779	5,985	5,822	5,740	5,781	5,985	6,310	7,308	7,511	
Megawatt-hours	4,030	4,183	3,594	3,816	3,104	3,208	3,074	3,138	3,151	3,303	3,568	3,901	42,070
Reynolds: [1]													
Kilowatts	226,102	235,679	201,587	201,731	201,862	201,613	211,173	201,550	201,679	201,390	201,343	201,098	
Megawatt-hours	168,075	157,429	149,980	145,246	150,185	145,161	157,112	149,953	145,209	150,035	144,967	149,617	1,812,969
Niagara Mohawk:													
Kilowatts	115,000	115,000	118,023	118,023	118,023	118,023	118,023	118,023	118,023	118,023	118,023	117,419	
Megawatt-hours	65,671	71,676	77,244	85,245	93,381	91,106	95,949	93,239	85,157	91,397	95,183	80,921	1,026,169
New York State E. & G.:													
Kilowatts	20,356	20,356	20,356	20,356	20,356	20,356	20,356	20,356	20,356	20,356	20,356	20,356	
Megawatt-hours	10,555	9,567	12,183	14,656	15,145	14,656	15,145	15,145	14,656	15,145	14,656	13,405	164,914
Boonville:													
Kilowatts	7,813	7,878	7,553	7,683	6,728	5,990	5,513	5,773	6,338	6,403	6,902	7,813	
Megawatt-hours	3,742	3,929	3,328	3,524	2,645	2,875	2,415	2,636	2,786	2,752	3,264	3,435	37,331
Solvay:													
Kilowatts	46,186	37,417	28,736	28,736	30,229	30,125	29,170	32,208	35,681	35,507	34,292	34,292	
Megawatt-hours	28,199	19,998	15,351	17,860	14,972	18,561	14,327	17,558	22,559	18,965	18,880	18,405	225,635
Rouses Point:													
Kilowatts	6,000	5,657	5,100	5,528	4,971	4,971	4,928	4,971	4,928	5,228	5,743	6,085	
Megawatt-hours	3,012	3,057	2,530	2,740	2,371	2,756	2,477	2,626	2,710	2,661	2,992	2,770	32,699
General Motors:													
Kilowatts	7,763	7,554	8,134	8,745	8,720	9,254	9,129	9,130	8,985	9,546	9,664	9,773	
Megawatt-hours	3,860	3,174	3,803	4,325	4,621	5,034	5,055	4,889	4,960	5,533	5,264	5,142	55,660
Tneresa:													
Kilowatts	933	912	781	760	673	586	673	586	673	716	846	1,920	
Megawatt-hours	445	459	378	394	293	314	273	289	322	327	392	417	4,303
Philadelphia:													
Kilowatts	1,129	1,085	1,042	955	825	781	738	781	868	912	998	1,215	
Megawatt-hours	528	549	457	494	372	412	377	394	416	403	471	493	5,366
Ilion:													
Kilowatts	8,942	9,072	8,204	8,117	7,206	7,987	7,640	7,423	7,857	7,162	8,421	10,071	
Megawatt-hours	4,553	4,660	3,944	4,141	3,218	3,870	3,677	3,647	3,553	3 3,447	4,094	4,233	47,037
Mohawk:													
Kilowatts	2,691	2,583	2,539	2,387	2,170	2,431	2,257	2,387	2,387	2,366	2,561	2,908	
Megawatt-hours	1,303	1,341	1,131	1,196	951	1,131	1,057	1,063	1,068	1,034	1,213	1,230	13,718

See footnotes at end of table.

TABLE B.—ST. LAWRENCE PROJECT, NONWITHDRAWABLE FIRM KILOWATTS AND MEGAWATT-HOURS DELIVERED DURING 1975—Continued

Name of contractor	January	February	March	April	May	June	July	August	September	October	November	December	Total
Hamilton:													
Kilowatts	5,590	6,552	6,231	5,842	5,269	4,444	4,376	4,582	5,452	5,819	6,506	6,896	
Megawatt-hours	3,262	3,621	3,090	3,191	2,518	2,557	2,268	2,393	2,703	2,869	3,387	3,350	35,209
Skaneateles:													
Kilowatts	3,256	3,082	2,865	2,648	2,518	2,735	2,648	2,735	2,648	2,821	3,299	3,603	
Megawatt-hours	1,655	1,667	1,444	1,461	1,176	1,494	1,371	1,387	1,386	1,366	1,646	1,646	17,699
Frankfort:													
Kilowatts	2,279	2,105	1,975	1,975	2,149	2,453	2,366	2,453	2,539	1,845	2,170	2,518	
Megawatt-hours	1,124	1,137	966	1,026	859	1,090	1,059	1,026	983	931	1,069	1,049	12,319
Delaware County:													
Kilowatts	6,270	6,247	6,135	5,830	4,868	4,300	3,764	4,066	4,591	5,052	6,937	6,920	
Megawatt-hours	3,007	3,087	2,607	2,731	1,864	1,984	1,853	1,953	2,018	2,133	2,573	2,907	28,717
Oneida-Madison:													
Kilowatts	2,397	2,422	2,214	2,191	1,845	1,707	1,568	1,638	1,822	1,960	2,191	2,629	
Megawatt-hours	1,078	1,104	926	991	724	809	745	787	809	786	942	1,017	10,718
Ostego:													
Kilowatts	6,277	6,460	5,934	5,727	4,880	4,261	4,009	4,261	4,559	4,994	6,002	6,712	
Megawatt-hours	3,111	3,085	2,604	2,786	1,954	1,984	1,893	2,105	2,049	2,022	2,534	2,792	28,919
Sherburne:													
Kilowatts	5,727	5,659	5,590	5,452	4,857	4,536	3,963	4,147	4,788	4,994	5,063	5,888	
Megawatt-hours	2,690	2,795	2,396	2,522	1,908	2,044	1,648	1,772	2,073	2,045	2,388	2,466	26,747
Lake Placid:													
Kilowatts	6,685	6,598	5,643	5,122	4,341	5,296	5,903	6,511	6,099	5,491	5,643	7,661	
Megawatt-hours	3,308	3,512	2,708	2,705	2,013	2,698	3,041	3,193	2,818	2,544	2,863	3,209	34,612
Tupper Lake:													
Kilowatts	7,162	6,989	6,468	6,598	5,773	4,818	4,775	5,122	5,469	5,817	6,989	8,595	
Megawatt-hours	3,989	3,521	3,194	3,334	2,367	2,534	2,282	2,637	2,649	2,956	3,151	3,692	36,306
City of Plattsburgh:													
Kilowatts	61,476	63,041	57,404	52,315	41,934	42,137	41,323	41,527	44,580	50,891	57,812	70,840	
Megawatt-hours	33,730	31,734	31,720	27,972	22,828	22,159	22,224	23,156	23,953	27,078	28,559	36,204	331,317

[1] Does not include interruptible power and energy.

Mr. DINGELL. You have alluded to contracts between the Power Authority of the State of New York and different purchasers. I think, without objection, a place will be reserved for those at this point in the record.

The Chair observes that the purpose of this hearing is to find out whether the contracts are in conformity with the pertinent statutes and with the license of the Power Authority of the State of New York.

For the sake of an orderly record, I guess we ought to go to Mr. Corso now.

Mr. FITZPATRICK. Mr. Dingell, may I please ask for the record, when you asked that the contracts be submitted, are you referring to the contracts with the new public entities which we are now entering into?

Mr. DINGELL. I am not trying to run the printing bill up here. What I am trying to do is set up a situation where you and committee staff can discuss which of these are appropriate.

Mr. FITZPATRICK. We will provide whatever you want.

Mr. OTTINGER. Of particular concern, I think, are the contracts that are made with Niagara Mohawk. In particular, those and other private utilities, if any. Most particularly, I am concerned about those that are on a nonwithdrawable basis.

Mr. FITZPATRICK. You do not have—in any event, we will provide——

Mr. DINGELL. I think we have the ones with Niagara Mohawk. We have Niagara contract NS–11, NS–13, and NS–1. I think those are what we need, but we may want to discuss that.

Mr. FITZPATRICK. Whatever you need, sir. Having been before the Federal Power Commission, they may be a matter of public record.

Mr. DINGELL. Mr. Corso?

STATEMENT OF RONALD A. CORSO

Mr. CORSO. Mr. Chairman, we welcome the opportunity to appear before the committee today, in order to reply to your letter of September 7, 1976.

Mr. DINGELL. I think it would be good for that to be inserted in the record also. Without objection, that will be done. Any responses by the agency will also be included.

[The letter referred to follows:]

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C., September 7, 1976.

Hon. RICHARD L. DUNHAM,
Chairman, Federal Power Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: The Subcommittee on Energy and Power of the House Committee on Interstate and Foreign Commerce requests your participation in oversight hearings dealing with Federal policies as they relate to the operations of the Power Authority of the State of New York. The Subcommittee has scheduled these hearings for 9:30 a.m., Wednesday, September 29, 1976, in Room 2123 of the Rayburn House Office Building, Washington, D.C.

The Subcommittee is particularly interested in ascertaining the extent to which PASNY has complied with the conditions of licenses issued to the Power Authority under the Federal Power Act, whether the Federal Power Commission has conducted any monitoring of such compliances, and the extent to which the Commission has scrutinized the power pooling agreements to which PASNY is a party.

Should you have any questions regarding these hearings, I would appreciate your contacting Mr. Robert Nordhaus at 225–3147.

Could you provide the Subcommittee with 50 copies of your prepared statement at least 48 hours in advance of your testimony?

We are looking forward to your participation in the Subcommittee's hearings.

With every good wish,

Sincerely,

JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power.

Mr. CORSO. I would like to mention that Chairman Dunham regrets he could not be here personally today. Today is the regular Commission meeting day, and there are some matters that he feels need his personal attention.

We have prepared a statement which we ask be submitted for the record.

Mr. DINGELL. Without objection, the full statement will appear in the record at the appropriate place. (See p. 80).

Mr. CORSO. If you will bear with me, I had not prepared a summary statement, but I will attempt——

Mr. DINGELL. You are recognized for that purpose.

Mr. CORSO. Essentially, your letter asked what the Commission does to monitor the license for the Niagara project. In our prepared statement, we went into great detail and I will attempt to summarize that.

The pertinent part of the license which you are interested in, I take it, is the clause dealing with the 50-percent allocation of power to preference customers. We indicate in our statement that we had heard in hearings the 50-percent preference clause and related matters. The first hearing that we cited was the Massena case which you are familiar with.

In the Massena case, we went to the preference clauses I believe in the FitzPatrick contracts and, in that case, if I might read, the Commission found that the use of the term "priority customer" in the contract, as defined by the rules and regulations of PASNY, to mean entities entitled to preference under 16 U.S.C. 836(b)(1), must be taken to indicate that the parties to the contract contemplated that the benefits of the transmission provision of the contract would run to future preference customers.

We also had before the Commission the case involving the Vermont Public Service Board and the Allegheny Cooperative, docket No. E–8746. That case was pertinent because it involved the allocation of preference power to customers outside the State of New York, and, in order to determine the amount that can be allocated to out-of-State customers, we must first look at the 50 percent that is available to preference customers, because 20 percent of the 50 percent or 10 percent of the total Niagara power is allocatable to outside customers.

Now, in a related matter, the Massena case also denied to the parties in Massena an interconnection because Massena did not at the time of the decision have a going system. We have recently received, on August 11, another filing by the towns of Massena and Sherrill. It is a complaint against Niagara Mohawk Power Corp. and PASNY. It is docket No. E–9565. This involves an interpretation of the contract, contract NS–1, and that matter is before the Commis-

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sion. It is not appropriate for us to comment on it at this time. However, subsequent to the complaint filing, the city of Sherrill has withdrawn from the proceedings and has indicated that PASNY has expressed a willingness to discuss an allocation of power.

There are several other areas where the Commission monitors PASNY's performance under the license. Those deal in part with the Commission's authority to assess charges to be reimbursed for its cost of administration.

In addition, the Commission, as with all licensees, has two forms, one form called the "Municipal Electric Utilities" form, the other being the "Power System Statement." Those forms provide the Commission with detailed information on the extent of sales in contractual arrangements of power to all customers, including preference customers.

We mention in our statement also that there are a number of projects licensed to PASNY. Among those are Niagara, St. Lawrence, Blenheim-Gilboa, and Mr. FitzPatrick mentioned there was one case before the Commission involving Prattsville project, which is pending and has been pending for 3 years.

In summary, we believe we have monitored the performance of PASNY. We have no indication that there has been any refusal by PASNY to offer preference customers power from the Niagara project——

Mr. OTTINGER. What did you do to ascertain that?

Mr. CORSO. That is based on review of the contracts which are before the Commission, the forms 1 and 12, the company's statements to form 1, which involve, for instance, their annual report.

Mr. OTTINGER. To ascertain that, in other words, you only asked PASNY? I wanted to know whether you made any independent inquiry as to whether other municipalities had been refused, other than asking PASNY and reviewing the forms that it files.

Mr. CORSO. We have not to this point made such an inquiry. However, we did receive this past Monday a letter from the People's Power Coalition of Western New York. The inquiry is related to the possibility of the city of Buffalo forming a municipal system, and they directed a letter to PASNY and asked if power would be available if such a system were created, and, if I might read, just to give—rather than try to paraphrase PASNY's answer—this is reading from the letter from the coalition.

> Mr. John W. Boston, Director of Power Operations for PASNY, states with respect to the availability of hydropower that the Authority has sold all firm power that can be produced at the Niagara and St. Lawrence projects under long-term contracts to municipal, industrial, private utility, and other customers. These contracts generally expire in the period 1985 to 1990. They were necessary to make it economically feasible to spread the benefits of the low-cost hydropower to as many rural and domestic customers as possible, since the public systems then, as now, serve only a small percentage of the upstate population. While adequate provision must be made for the load-growth of existing customers, it may be possible to initiate service to a few relatively small municipal customers.

In light of this letter, we have prepared a draft letter to PASNY to inquire further into this matter. That letter essentially asks PASNY to divulge to the Commission all of its dealings with preference customers since the project commenced operation to present, and we call that an initial report from PASNY.

We also inquire of PASNY in this letter—to obtain from them a list of preference customers who have contracted for Niagara power, the dates of the contracts, for sale of such power, and a copy of each contract, so that we can check those against the contracts we now have on file.

We have also asked in this letter that the names of all current and prospective preference customers and other entities who have been denied service and the reasons for such denial.

Mr. OTTINGER. You have not gotten that information previously?

Mr. CORSO. No; we were not aware of any reason up until now to make such request. In addition to the initial report, since this has become an issue that seems to be appearing before the Commission on a regular basis, we are going to ask PASNY to file with the Commission an annual report as of January 31 of every year for the preceding year, and that report will list all preference customers where contracts were consummated in that year and the terms of the contract and a copy of the contract and a list of all preference customers who were denied service and other entities also.

That concludes the summary of my statement, and I am available for questions.

[Testimony resumes on p. 100.]

[Mr. Corso's prepared statement and attachments follow:]

STATEMENT OF RONALD A. CORSO, DEPUTY CHIEF, DIVISION OF LICENSED PROJECTS, BUREAU OF POWER, FEDERAL POWER COMMISSION

Mr. Chairman and Members of the Committee, I appreciate this opportunity to participate in this hearing and to testify regarding Federal policies as they relate to the operations of the Power Authority of the State of New York.

By letter of September 7, 1976, from Chairman John D. Dingell, Chairman Richard L. Dunham of the Federal Power Commission was requested by this Subcommittee to present testimony regarding federal policies as they relate to operations of the Power Authority of the State of New York. Subsequent, to that letter Chairman Dunham was informed by the Subcommittee Staff that the Subcommittee would be glad to accept FPC Staff witnesses in lieu of the Chairman's testimony. I, as well as Mr. Daniel C. Lamke of the Office of General Counsel, appear pursuant to that request.

Chairman Dingell's letter of September 7, 1976 requested testimony as to whether the Federal Power Commission monitors certain requirements of the Niagara Project Power Act and whether PASNY has complied with conditions of its Federal Power Commission license, and the extent to which the the Commission scrutinized the power pool agreement to which PASNY is a party.

The Niagara Power Project Act (16 U.S.C. § 836) required the Federal Power Commission to include in its Niagara Project license to the Power Authority of the State of New York certain conditions, including a provision which would require the following:

> (1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and non-profit cooperatives within economic transmission distance. In any case in which project power subject to preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.

The Commission has on two recent occasions dealt with cases arising under the Niagara Power Project Act. In an order issued March 12, 1976, the Commission affirmed the Initial Decision of a Presiding Administrative Law Judge in Docket No. E-8746, a complaint proceeding initiated by the State of Vermont Public Service Board (Board). Both the initial decision and the Commission's final decision were transmitted by Chairman Dunham to Chairman Dingell on September 13, 1976. The Initial Decision concluded that more than 180 megawatts of firm power was available for allocation to out-of-state preference customers, and it allocated an

additional 30 megawatts to such out-of-state customers. This case is relevant because, in allocating the amount of power available to out-of-state preference customers, no more than 20 per cent of the 50 per cent of project power designated as available to preference customers is to be available to out-of-state customers.

Secondly, the Commission, by order issued July 21, 1976, in Docket No. ER76-523 (Attachment No. 1), gave effect to the 50% Preference Clause in a contract interpretation. In that case the Niagara Mohawk Power Coporation had tendered for filing an Initial Power Agreement with the Power Authority of the State of New York. The Town of Massena, New York, petitioned to intervene in the proceeding requesting a declaratory order interpreting the Niagara Mohawk-PASNY Contract. More specifically, Massena requested that the Commission determine whether the Niagara Mohawk-PASNY Contract required Niagara Mohawk to transmit power only to priority customers which were being supplied by PASNY as of July 26, 1975, the effective date of the filed Contract, or whether the Contract required Niagara Mohawk to transmit power to future priority customers of PASNY. The Commission indicated in its July 21, 1976, order that it would be contrary to the legislative intent underlying the

Preference Power Clause to construe it as being inapplicable to public distribution systems and non-profit cooperatives which do not currently have a capacity to utilize preference power. The Commission further found that the use of the term "priority customer" in the Contract, as defined by the Rules and Regulations of PASNY to mean entities entitled to preference under 16 U.S.C. 836(b)(1), must be taken to indicate that the parties to the Contract contemplated that the benefits of the transmission provision of the Contract would run to future preference customers.

While the Commission determined that the Niagara Mohawk-PASNY Contract contemplated service to future preference customers, the Commission in a separate docket, E-9550, Order dated July 28, 1976, denied the City of Massena interconnection orders under 202(b) and (c) on the grounds that their request was premature inasmuch as they were not yet "engaged in the transmission or sale of electric energy" The Commission's denial of Massena's requested interconnections with Niagara Mohawk was based on jurisdictional grounds and was without prejudice to Massena's refiling under said Sections at such time as Massena is engaged in the transmission and sale of electric energy or until such time as an emergency might exist as required by Section 202(c) of the Federal Power Act.

In addition, on August 11, 1976, the Towns of Massena, New York and Sherrill, New York filed a complaint with the Federal Power Commission against Niagara Power Corporation and the Power Authority of the State of New York in Docket No. E-9565. Because the Commission has not yet acted on this complaint it would be inappropriate at this time to comment concerning the merits of the case. However, the Cities basically allege, that Niagara's Contract NS-1 on file with the Federal Power Commission as Federal Power Commission Electric Rate Schedule FPC No. 19 requires Niagara Mohawk to deliver PASNY power to them when they qualify as a preference customer. The Cities further allege, that Niagara Mohawk contends that they are required to deliver PASNY power to preference customers who were existing customers as of February 10, 1961.

On September 21, 1976, the City of Sherrill, New York filed a motion for leave to withdraw their previously filed complaint, on the grounds as set forth on page 3 of their motion to withdraw, as follows:

> Meanwhile, on various occasions following the filing complaint herein, representatives of the City of Sherrill have met with or discussed the matter with representatives of PASNY. Such discussions have included the subject of transmission and delivery of Niagara Project power to

> the City of Sherrill once the Sherrill system is acquired and ready for commercial operation. PASNY representatives have consistently advised that the matter of transmission and delivery of PASNY power is the primary responsibility of the Power Authority. Moreover, PASNY representatives have given assurances to representatives of the City of Sherrill that PASNY would arrange for the transmission and delivery of Niagara Project power and energy either (1) by arranging to wheel said power and energy over the transmission system of Niagara Mohawk Power Corporation, one of PASNY's wheeling agents in the State of New York or (2) by constructing new transmission facilities for the purpose of serving the City of Sherrill.

Moreover, the Commission has occasion to concern itself with various accounting questions touching PASNY. Pursuant to Section 4(e) and the conditions prescribed in Section 10(e) of the Federal Power Act (Act), 16 U.S.C. 797(e) and 16 U.S.C. 803(c), respectively, the Commission has included in the licenses issued to PASNY specific articles requiring PASNY to pay annual charges in an amount to be fixed by this Commission for the purpose of reimbursing the United States for the costs of administering Part 1 of the Federal Power Act. Section 19(c) of the Act also provides that State or municipal licensees are entitled to claim an exemption if the project was primarily designed to provide or improve navigation, or for all power from the project that is sold to the public without profit, or used for state or municipal purposes.

For PASNY's St. Lawrence Project No. 2000, licensed by the Commission in 1953, 12 F.P.C. 172, the U. S. Court of Appeals in Power Authority of the State of New York v. Federal Power Commission, 339 F.2d 269 (2nd Cir. 1964), certiorari denied, 381 U.S. 933 (1965), affirmed a 1964 Commission order holding that there was substantial evidence to support the Commission's findings that the project works constructed by PASNY were not primarily intended to improve navigation. The Court also agreed with the Commission that PASNY's sales of power were for profit for the years claimed. By order issued May 17, 1976, the Commission denied in part and granted in part PASNY's subsequent claims for exemption for calendar years 1962 through 1974 for Project No. 2000. Since 1961, PASNY has also filed claims for exemption from the payment of annual charges for its Niagara River Project No. 2216, and these are pending before the Commission.

As with all licensees, the Commission performs a continuing monitoring process through the yearly filings of FPC Forms 1 and 12. Form 1-M is entitled "Municipal Electric Utilities", and Form 12 is the "Power System Statement"

PASNY's most recently filed Form 1-M, filed for the year ending December 31, 1975 shows that PASNY sold in excess of 16 billion kwh of Niagara project power, of which 1.9 billion

(or 11.9%) was sold to public bodies and non-profit cooperatives. The Form 12 data verify the extent of the power deliveries contracted for by PASNY with public bodies and cooperatives.

In addition, PASNY is the licensee of several projects under the Federal Power Act. These consist of the Niagara Project, FPC Project No. 2216; the St. Lawrence Project, FPC Project No. 2000; and Blenhoim-Gilboa, FPC Project No. 2685. The last of these is the proceeding that give rise to the very extensive litigation, turning largely on questions under the National Environmental Policy Act, that culminated in Greene County v. Planning Board F.P.C., 455 F.2d 412 (1972). The license for Project No. 2216 contains terms that parallel those set forth in the Niagara Power Project Act. In addition, there is now pending before us an application filed by PASNY for a license for a hydroelectric project in the vicinity of Breakabeen or Prattsville (FPC Project No. 2729).

While the Commission receives annual reports through Forms 1 and 12, the Staff sometimes finds it necessary to seek supplementary data from our respondents and applicants. In connection with the Breakabeen-Prattsville application mentioned above, the Staff recently requested a full disclosure of all PASNY contracts and agreements. There is attached

a summary of those contracts, as of January 1, 1976 (Attachment No. 2). A review of the contracts and Forms 1 and 12 shows that as of January 1, 1976, PASNY has contracted to sell to public bodies and cooperatives 359, 292 kw of Niagara project power. This is approximately 19% of the total available.

In 1975, PASNY allocated power to six additional municipal customers, while withdrawing power allocations to investor-owned utilities. All of PASNY's contracts with all of its customers are on file with the Commission, and each such contract with a nonpreference customer provides for withdrawal of power, if that is necessary to enable PASNY to meet its statutory obligation to preference customers.

Also with reference to the question of whether PASNY is fulfilling its obligations to preference customers, a review of the extensive information on file with the Commission concerning PASNY's contracts and sales, as well as PASNY's statutory obligations under the Niagara Power Project Act does not suggest that any preference customer (other than Massena, for the reasons explained above) has sought and failed to receive PASNY power.

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

ATTACHMENT 1

ELECTRIC RATES: INTERVENTION

Before Commissioners: Richard L. Dunham, Chairman;
Don S. Smith, John H. Holloman III,
and James G. Watt.

Niagara Mohawk Power Corporation) Docket No. ER76-523

ORDER GRANTING PETITION TO INTERVENE AND PETITION FOR DECLARATORY RELIEF

(Issued July 21, 1976)

On February 23, 1976, Niagara Mohawk Power Corporation (Niagara Mohawk) tendered for filing an initial power agreement with the Power Authority of the State of New York (PASNY). On March 15, 1976, the Town of Massena, New York, (Massena) petitioned to intervene in the proceeding and petitioned for a declaratory order interpreting the Niagara Mohawk-PASNY contract. Massena's petitions are herein granted.

Niagara Mohawk's February 23, 1976, filing 1/ provided for the sale of unsupported firm power to Niagara Mohawk from PASNY's Fitzpatrick Nuclear Plant; for the sale of excess power, when available, to Niagara Mohawk from the Fitzpatrick Plant; for the sale of supporting energy to PASNY by Niagara Mohawk; and for the transmission of Fitzpatrick power by Niagara Mohawk to high load factor manufacturers and priority customers supplied by PASNY with power from the Fitzpatrick plant where such customers can be supplied through the system

1/ Designated: Niagara Mohawk Power Corporation, Rate Schedule FPC No. 95.

of Niagara Mohawk. Niagara Mohawk requested waiver of the Commission's notice requirements to permit the agreement to become effective on July 28, 1975, the date of the contract.

Notice of the filing was issued on February 27, 1976, with comments, protests or petitions to intervene due on or before March 15, 1976. On March 15, 1976, a timely petition to intervene was filed by Massena. On March 25, 1976, the Commission accepted the Niagara Mohawk-PASNY agreement for filing and permitted it to become effective, as requested on July 28, 1975.

In its March 15, 1976, petition, Massena requested that we issue a declaratory order determining whether the Niagara Mohawk-PASNY contract requires Niagara Mohawk to transmit Fitzpatrick Plant power only to priority customers which were being supplied by PASNY as of July 28, 1975, or whether the contract requires Niagara Mohawk to transmit Fitzpatrick power to future priority customers of PASNY. 2/ This question is of importance to Massena insofar as Massena plans, according to its petition, to become a priority customer of PASNY. Massena avers that on February 10, 1976, PASNY reaffirmed its commitment to supply Massena as a preference customer with fifteen megawatts of electric energy once Massena has the legal and physical capacity to receive the power.

2/ The Niagara Mohawk-PASNY contract clause in question provides as follows:

J. Transmission Service by Customer. Customer [Niagara Mohawk] hereby agrees to transmit power for Authority [PASNY] over its transmission system to high load factor manufacturers and priority customers supplied by Authority with power from the Fitzpatrick plant, where the customers can be supplied from the system of the Customer as follows:.....(b) For all priority customers and for high load factor manufacturers located beyond 30 miles of the Niagara Falls switchyard: the transmission to be from the points of delivery of service to Customer in effect under this application to the points of delivery to such customers, for which service Customers shall be compensated in transmission fees and allowance for losses in transmission at the rates in effect under Part Five of Contract NS-1.

We interpret the Niagara Mohawk-PASNY contract to provide that Niagara Mohawk shall transmit PASNY power to both past and future priority customers of PASNY. The Rules and Regulations of PASNY define "priority customers" as being ". . .entities entitled to preference under 16 USC 836(b)(1)." Section 836(b)(1) of 16 USC, taken from the Niagara Redevelopment Act, 71 Stat. 401, provides:

> In order to assure that at least 50 percentum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural customers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 percentum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance.

The Niagara Redevelopment Act, in providing that preference shall be given to "public bodies and nonprofit cooperatives within economic transmission distance", made applicable to the Niagara project the long-standing Federal preference policy 3/ which accords priority in power marketing to public distribution systems and nonprofit cooperatives. 4/ It would be contrary to the legislative intent underlying that policy to construe the clause regarding preference power in 16 USC 836 as being inapplicable to public distribution systems

3/ For a review of the policy's history, see: S. Rep. No. 1408, 84th Cong., 2nd Sess. (1956).

4/ H. R. Rep. No. 862, 85th Cong., 1st Sess. (1957).

and non-profit cooperatives which do not presently have a capability to utilize preference power. 5/ The use of the term "priority customer" in the instant contract, as defined by the Rules and Regulations of PASNY to mean entities entitled to preference under 16 USC 836 (b)(1), thus must be taken to indicate that the parties to the contract contemplated that benefits of the transmission provision of the contract would run to future preference customers. It would be unreasonable to assume that the parties would use the term "priority customer", with its fixed legal meaning, if they had intended otherwise.

5/ See: 41 Op. Att'y Gen. 236 (1955). In rendering an opinion on whether the Secretary of the Interior must contract with a preference customer when the Secretary has before him two competing offers to purchase power, one from the preference customer and the other from a non-preference customer, and the preference customer does not have at the time the physical means to take and distribute power, the Attorney General stated:

> I cannot conceive, in the face of a plain mandate for preference to public bodies and cooperatives and the congressional concern, as evidenced in related statutes, for protection of their preferential status, that it is possible to say apropos of Section 5 [of the Flood Control Act of 1944] that the Congress intended a preference purchaser to demonstrate its present ability to take and distribute the power in order to avail itself of its statutory privilege. It is reasonable to attribute to the Congress that enacted Section 5 the same solicitude for preference customers that had been recognized as necessary on other occasions...To read into the Section 5 grant of a preference to public bodies and cooperatives the requirement of a presently existing ability to take and distribute the power would, in the usual case, constitute its emasculation; and it is well-settled that such a construction of a statute should not be taken where a construction is possible which will preserve its vitality and the utility of the language in question. Ibid., at 245 (citations omitted).

In its petition, Massena requests that the Commission determine whether "other" Niagara Mohawk-PASNY contracts permit both past and future preference customers to benefit from the contracts. Due to the absence of any references by Massena to specific clauses of particular contracts, we shall deny this request for an interpretation of contracts other than that filed in the instant docket.

On March 25, 1976, Niagara Mohawk filed an answer to Massena's March 15, 1976, petition. 6/ Niagara alleges, first, that Massena has no standing to intervene in the instant proceedings since neither is it a municipal electric system nor does it aver any pro bono publico standing. Having reviewed Massena's petition to intervene, we conclude that Massena has an interest in this proceeding which is sufficient to warrant its intervention herein.

Niagara Mohawk alleges, secondly, that the Commission is without jurisdiction to grant the declaratory relief requested by Massena. Insofar as the Niagara Mohawk-PASNY contract provides for, inter alia, the sale of supporting energy by Niagara Mohawk to PASNY, the contract is within the Commission's jurisdiction. Massena's petition for an interpretation of the Niagara Mohawk-PASNY contract is a petition for a declaratory order to remove uncertainty. Full provision for such orders is made in Section 1.7(c) of the Commission's Rules of Practice and Procedure, as formulated under authority of Section 309 of the Federal Power Act.

6/ A reply by Massena to Niagara Mohawk's answer was filed on March 25, 1976.

The Commission finds:

(1) It is desirable and in the public interest to allow Massena to intervene in these proceedings.

(2) Good cause exists to grant Massena's March 15, 1976, petition for a declaratory order removing uncertainty about the Niagara Mohawk-PASNY contract filed February 23, 1976.

(3) Good cause exists to deny Massena's petition for a declaratory order regarding Niagara Mohawk-PASNY contracts other than that filed on February 23, 1976.

The Commission orders:

(A) Massena is hereby permitted to intervene in these proceedings subject to the rules and regulations of the Federal Power Commission; Provided, however, that participation of such intervenor shall be limited to matters affecting asserted rights and interests as specifically set forth in the notice of intervention; and Provided, further, that the admission of such intervenor shall not be construed as recognition by the Federal Power Commission that it might be aggrieved because of any order or orders of the Federal Power Commission entered in this proceeding.

(B) Massena's March 15, 1976, petition for a declaratory order removing uncertainty about the Niagara Mohawk-PASNY contract filed February 23, 1976, is hereby granted and that contract is hereby interpreted to provide that Niagara Mohawk shall transmit PASNY power to both past and future priority customers of PASNY.

(C) Massena's petition for a declaratory order regarding Niagara Mohawk-PASNY contracts other than that filed on February 23, 1976, is hereby denied.

(D) The Secretary shall cause prompt publication of this order to be made in the Federal Register.

By the Commission.

(S E A L)

Kenneth F. Plumb,
Secretary.

ATTACHMENT No. 2

POWER AUTHORITY CUSTOMERS

January 1, 1976

St. Lawrence Project Contracts

Contract	Customer	Contract Demand (Kw) 1/1/76	
Municipal Systems			
S-3	City of Plattsburgh	76,000	(enclosed)
S-8	Village of Boonville	8,500	(enclosed)
S-9	Village of Solvay	42,000	(same as S-8)
S-10	Village of Rouse's Point	7,000	(enclosed)
S-12	Village of Theresa	1,000	(same as S-8)
S-13	Village of Philadelphia	1,200	"
S-14	Village of Ilion	11,000	"
S-15	Village of Mohawk	3,500	"
S-16	Village of Hamilton	7,200	(same as S-10)
S-17	Village of Skaneateles	3,400	(same as S-8)
S-18	Village of Frankfort	2,700	"
S-22	Village of Sherburne	5,900	(same as S-10)
S-23	Lake Placid Village	7,500	(enclosed)
S-24	Village of Tupper Lake	8,200	(same as S-23)
Cooperatives			
S-19	Delaware County Electric Coop. Inc.	7,700	(enclosed)
S-20	Oneida-Madison Electric Coop. Inc.	2,800	(same as S-19)
S-21	Otsego Electric Coop. Inc.	7,200	"
Industrial Contracts			
S-1	Aluminum Company of America (Firm)	174,000	(enclosed)
	(Interruptible)	65,000	
S-5	Reynolds Metals Co. (Firm)	200,000	(enclosed)
	(Interruptible)	39,000	
S-11	General Motors Corp.	12,000	(enclosed)

St. Lawrence Project Contracts (Contd.)

Contract	Customer	Contract Demand (Kw) 1/1/76	
Utilities			
S-6	Niagara Mohawk Power Corp. (Firm)	115,000	(enclosed)
S-7	New York State Electric & Gas (Firm)	20,000	(enclosed)
Other			
S-2	Public Service Board of the State of Vermont	100,000	(enclosed)
S-4A	United States Air Force	10,000	(enclosed)

Niagara Project Contracts

Municipal Systems			
NS-2	City of Salamanca	8,500	(enclosed)
NS-3	Village of Andover	700	(same as NS-2)
NS-4	Village of Akron	4,000	"
NS-5	Village of Wellsville	10,000	"
NS-6	Village of Fairport	33,000	"
NS-7	Village of Little Valley	3,500	"
NS-8	Village of Arcade	15,500	"
NS-9	Village of Springville	7,200	"
NS-10	Village of Bergen	1,700	"
NS-14	Village of Westfield	10,000	"
NS-15	Village of Mayville	3,800	"
NS-16	Village of Churchville	1,600	"
NS-17	Village of Spencerport	8,500	"
NS-19	Village of Watkins Glen	3,200	(enclosed)
NS-21	Village of Bath	8,000	(same as NS-19)
NS-22	Village of Endicott	7,000	"
NS-23	Village of Angelica	1,100	(same as NS-2)
NS-24	Village of Silver Springs	600	(same as NS-19)
NS-25	Village of Marathon	2,100	"
NS-26	Village of Groton	4,000	"
NS-27	Village of Castile	1,300	"
NS-28	Village of Penn Yan	8,200	"
NS-31	City of Jamestown	21,000	(enclosed)

Niagara Project Contracts (Contd.)

Contract	Customer		Contract Demand (Kw) 1/1/76	
Cooperatives				
NS-12	Steuben Rural Electric Coop., Inc.		12,160	(enclosed)
NS-29A	Allegheny Electric Coop., Inc.		130,000	(enclosed)
Utilities				
NS-1	Niagara Mohawk Power Corp.	Firm	322,000	(enclosed)
		Replacement	445,000	
		Expansion	233,500	
		Peaking	108,000	
		¶B Peaking	86,000	/a
NS-11	New York State Electric & Gas	Firm	276,000	(enclosed)
		Expansion	16,550	
		Peaking	92,000	
		¶B Peaking	74,000	/a
NS-13	Rochester Gas & Electric Corp.	Firm	142,000	(enclosed)
		¶B Peaking	40,000	/a
Other				
NS-20	Public Service Board of the State of Vermont	Firm	50,000	(enclosed)
		¶B Firm	2,632	/a

J. A. FitzPatrick Plant Contracts

Industries /b			
FD-1	Aluminum Company of America	20,000	(enclosed)
FD-2A	Hooker Chemicals & Plastics Corp.	9,300	(enclosed)

/a ¶B power and energy is supplied when available pursuant to paragraph B of the General Power Contract Provisions. The price is $1.00 per month per kilowatt of billing demand plus 2.67 mills per kilowatt hour.

/b Contract demands for FitzPatrick industrial customers are the amounts listed plus losses from the FitzPatrick switchyard to the customer's point of delivery.

J. A. FitzPatrick Plant Contracts (Contd.)

Contract	Customer	Contract Demand (Kw) 1/1/76	
Industries			
FD-3	Air Products & Chemicals, Inc.	10,000	(enclosed)
FD-4	Reynolds Metals Company	26,000	(enclosed)
FD-5	Airco Industrial Gases	2,000	(same as FD-2A)
FD-6	Airco Speer Carbon-Graphite	7,500	"
FD-7	Burdox, Inc.	7,500	"
FD-8	E. I. DuPont De Nemours & Co.	5,000	"
FD-9	Dresser Transp. Equipment	14,000	"
FD-10	Olin Corporation	2,600	"
FD-11 /c	Airco Industrial Gases	11,500	(same as FD-3)
FD-12 /c	Airco Alloys Div., Airco Inc.	14,600	(same as FD-2A)
Utilities			
UD-1	Central Hudson Gas & Electric Corp.	Contract	(enclosed)
UD-2	Consolidated Edison Company of N. Y. Inc.	demands	"
UD-3	Long Island Lighting Company	vary by	"
UD-4	N. Y. State Electric & Gas Corp.	season	"
UD-5	Niagara Mohawk Power Corp.	and from	"
UD-6	Orange & Rockland Utilities, Inc.	year to	"
UD-7	Rochester Gas & Electric Corp.	year.	"
		See contracts.	

Blenheim-Gilboa Project Contracts /d

PS-1	Niagara Mohawk Power Corp.	550,000	(enclosed)
PS-2	New York State Electric & Gas Corp.	200,000	(same as PS-1)
PS-3	Rochester Gas & Electric Corp.	150,000	"
PS-4 /e	Central Hudson Gas & Electric Corp.	100,000	"

/c Not presently being served, service will commence on or before the last day of 1976.

/d The rate for Blenheim-Gilboa capacity is $1.35 per month per kilowatt of contract demand rather than the amount listed in the enclosed contract.

/e Central Hudson's share of Blenheim-Gilboa capacity has been assigned to New York State Electric & Gas Corp. on a temporary basis.

Mr. OTTINGER. I would like to place in the record a letter dated September 13, 1976, from the Federal Power Commission to Chairman Dingell, as well as the attachments to that letter. Without objection.

[Testimony resumes on p. 251.]

[The letter and attachments follow:]

FEDERAL POWER COMMISSION
WASHINGTON, D.C. 20426

September 13, 1976

The Honorable John D. Dingell
Chairman
Committee on Intersate and Foreign Commerce
Subcommittee of Energy and Power
House of Representatives
Congress of the United States
Washington, D.C. 20515

Dear Mr. Chairman:

As you noted in your letter to me of August 25, 1976, the Niagara Power Project Act (16 U.S.C. § 836) required the Federal Power Commission to include in its Niagara Project license to the Power Authority of the State of New York certain conditions, including a provision which would require the following:

> (1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and non-profit cooperatives within economic transmission distance. In any case in which project power subject to preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably forseeable needs of the preference customers.

Based upon the above license provision your letter requests information as to whether the Commission monitors that or other requirements of the Niagara Project Power Act and in addition, what reviews the Federal Power Commission has conducted to ascertain compliance with those provisions.

As with all licensees, the Commission performs a continuing monitoring process through the yearly filings of FPC Forms 1-M and 12. Form 1-M is entitled "Municipal Electric Utilities", and Form 12 is the Power System Statement.

PASNY's most recently filed Form 1-M, filed for the year ending December 31, 1975 (Enclosure No. 1) shows that PASNY sold in excess of 16 billion KWH of Niagara project power, of which 1.9 billion (or 11.8%) was sold to public bodies and non-profit cooperatives. The Form 12 data (Enclosure No. 2) verify the extent of the power deliveries contracted for by PASNY with public bodies and cooperatives.

As you know, PASNY is the licensee of several projects under the Federal Power Act. These consist of the Niagara Project, FPC Project No. 2216; the St. Lawrence Project, FPC Project No. 2000; and Blenheim-Gilboa, FPC Project No. 2685. The last of these is the proceeding that gave rise to the very extensive litigation, turning largely on questions under the National Environmental Policy Act, that culminated in Greene County v. Planning Board F.P.C., 455 F.2d 412 (1972). The license for Project No. 2216 contains terms that parallel those set forth in the Niagara Power Project Act. In addition, there is now pending before us an application filed by PASNY for a license for a hydroelectric project in the vicinity of Breakabeen or Prattsville.

While we receive annual reports through Forms 1 and 12, our Staff sometimes finds it necessary to seek supplementary data from our respondents and applicants. In connection with the Breakabeen-Prattsville application mentioned above, the Staff recently requested a full disclosure of all PASNY's contracts and agreements. There is attached a summary of those contracts, as of January 1, 1976 (Enclosure No. 3). A review of the contracts and Forms 1 and 12 shows that as of January 1, 1976, PASNY has contracted to sell to public bodies and cooperatives 359, 292 KW of Niagara project power. This is approximately 19% of the total available.

The Commission has on two recent occasions dealt with cases arising under the Niagara Power Project Act. In an order issued March 12, 1976, the Commission affirmed the Initial Decision of a Presiding Administrative Law Judge in Docket No. E-8746,

a complaint proceeding initiated by the State of Vermont Public Service Board (Board), (Enclosure Nos. 4 and 5). The Initial Decision concluded that more than 180 megawatts of firm power was available for allocation to out-of-state preference customers, and it allocated an additional 30 megawatts to such out-of-state customers. This case is relevant because, in allocating the amount of power available to out-of-state preference customers, no more than 20 per cent of the 50 per cent of project power designated as available to preference customers is to be available to out-of-state customers.

Secondly, the Commission, by order issued July 21, 1976, in Docket No. ER76-523 (Enclosure No. 6), gave effect to the 50% Preference Clause in a contract interpretation. In that case the Niagara Mohawk Power Corporation had tendered for filing an Initial Power Agreement with the Power Authority of the State of New York. The Town of Massena, New York, petitioned to intervene in the proceeding requesting a declaratory order interpreting the Niagara Mohawk-PASNY Contract. More specifically, Massena requested that the Commission determine whether the Niagara Mohawk-PASNY Contract required Niagara Mohawk to transmit power only to priority customers which were being supplied by PASNY as of July 28, 1975, the effective date of the filed Contract, or whether the Contract required Niagara Mohawk to transmit power to future priority customers of PASNY. The Commission indicated in its July 21, 1976, order that it would be contrary to the legislative intent underlying the Preference Power Clause to construe it as being inapplicable to public distribution systems and non-profit cooperatives which do not currently have a capacity to utilize preference power. The Commission further found that the use of the term "priority customer" in the Contract, as defined by the Rules and Regulations of PASNY to mean entities entitled to preference under 16 U.S.C. 836(b)(1), must be taken to indicate that the parties to the Contract contemplated that the benefits of the transmission provision of the Contract would run to future preference customers.

While the Commission determined that the Niagara Mohawk-PASNY Contract contemplated service to future preference customers, the Commission in a separate docket, E-9550, Order dated July 28, 1976, denied the City of Massena interconnection orders under 202(b) and (c) on the grounds that

their request was premature inasmuch as they were not yet "engaged in the transmission or sale of electric energy" (Enclosure No. 7). The Commission's denial of Massena's requested interconnections with Niagara Mohawk was based on jurisdictional grounds and was without prejudice to Massena's refiling under said Sections at such time as Massena is engaged in the transmission and sale of electric energy or until such time as an emergency might exist as required by Section 202(c) of the Federal Power Act.

Moreover, the Commission has occasion to concern itself with various accounting questions touching PASNY. Pursuant to Section 4(e) and the conditions prescribed in Section 10(e) of the Federal Power Act (Act), 16 U.S.C. 797(e) and 16 U.S.C. 803(e), respectively, the Commission has included in the licenses issued to PASNY specific articles requiring PASNY to pay annual charges in an amount to be fixed by this Commission for the purpose of reimbursing the United States for the costs of amdinistering Part 1 of the Federal Power Act. Section 19(e) of the Act also provides that State or municipal licensees are entitled to claim an exemption if the project was primarily designed to provide or improve navigation, or for all power from the project that is sold to the public without profit, or used for state or municipal purposes.

For PASNY's St. Lawrence Project No. 2000, licensed by the Commission in 1953, 12 F.P.C. 172, the U. S. Court of Appeals in Power Authority of the State of New York v. Federal Power Commission, 339 F.2d 269 (2nd Cir. 1964), certiorari denied, 381 U.S. 933 (1965), affirmed a 1964 Commission order holding that there was substantial evidence to support the Commission's findings that the project works constructed by PASNY were not primarily intended to improve navigation. The Court also agreed with the Commission that PASNY's sales of power were for profit for the years claimed. By order issued May 17, 1976, the Commission denied in part and granted in part PASNY's subsequent claims for exemption for calendar years 1962 through 1974 for Project No. 2000. Since 1961, PASNY has also filed claims for exemption from the payment of annual charges for its Niagara River Project No. 2216, and these are pending before the Commission.

Also with reference to the question of whether PASNY is fulfilling its obligations to preference customers, we have

reviewed the extensive information before us concerning PASNY's contracts and sales, as well as PASNY's statutory obligations under the Niagara Power Project Act. In 1975, PASNY allocated power to six additional municipal customers, while withdrawing power allocations to investor-owned utilities. All of PASNY's contracts with all of its customers are on file with us, and each such contract with a nonpreference customer provides for withdrawal of power, if that is necessary to enable PASNY to meet its statutory obligation to preference customers. On the basis of the information before us, there is nothing to suggest that any preference customer (other than Massena, for the reasons explained above) has sought and failed to receive PASNY power.

Sincerely yours,

Richard L. Dunham

Richard L. Dunham
Chairman

Enclosures

ENCLOSURE NO. 1

FPC Form 1-M
Rev. (12-75)

Form Approved.
Budget Bureau No. 54-R072

MUNICIPAL ELECTRIC UTILITIES
(Having Annual Electric Revenues of $250,000 or More)

ANNUAL REPORT

OF

POWER AUTHORITY OF THE STATE OF NEW YORK
(Exact legal name of respondent)

TO THE

FEDERAL POWER COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 19 75

FPC Form No. 1-M

1973-74 Changes

Schedule Page	Docket No.	Order No.	Description of Revision
2	R-424	505	Line 25 (debit side) deleted "discount &". Added line 28 (debit side). Added lines 9, 10 and 25; also deleted old line 21 (credit side).
2	R-430	490	Deleted old lines 32 and 33 (credit side).

NOTE: The schedule page revised by Commission Order No. 505 has been reviewed and approved by the Comptroller General of the United States under provisions of Section 409 of Public Law 93-153. GAO Approval No. B 180228 (R0007).

The schedule page revised by Commission Order No. 490 and all other revisions were previously approved by the Office of Management and Budget.

FPC Form 1-M
Municipal utilities, annual electric revenues of $250,000 or more

ANNUAL REPORT TO THE FEDERAL POWER COMMISSION

For the Year Ended DECEMBER 31, , 19 75

OF

POWER AUTHORITY OF THE STATE OF NEW YORK
(Exact legal name of respondent)

10 COLUMBUS CIRCLE, NEW YORK, NY 10019
(Address of principal business office at end of year)

GENERAL INSTRUCTIONS

An original and three conformed copies of this report form, completed in the best manner possible from available records and verified, shall be filed with the Federal Power Commission, Washington D.C., 20426, on or before the last day of the third month following the close of the calendar or other established fiscal year, by each municipality which is engaged in the generation, transmission or distribution of electricity, and whose annual electric operating revenues amount to $250,000 or more.

One copy of the report should be retained by the respondent in its files. The conformed copies may be carbon copies. If the respondent publishes financial and operating statements of its utility department submit three copies of such statements with this report. If the respondent maintains a one line geographic map or schematic diagram of its principal lines and substations, one copy should be submitted with this report.

Account numbers and titles used in the schedules herein relate to account numbers and titles in the Uniform System of Accounts Prescribed for Public Utilities and Licensees (Class A and Class B). A copy of this system will be furnished upon request for the information and guidance of respondent in the preparation of this annual report.

EXCERPTS FROM THE LAW

(Federal Power Act, 16 U. S. C., 791a-825r)

"Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to wit: * * * "municipality" means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power; * * *"

"Sec. 311. In order to secure information necessary or appropriate as a basis for recommending legislation, the Commission is authorized and directed to conduct investigations regarding the generation, transmission, distribution, and sale of electric energy, however produced, throughout the United States and its possessions, whether or not otherwise subject to the jurisdiction of the Commission, including the generation, transmission, distribution, and sale of electric energy by any agency, authority, or instrumentality of the United States, or of any State or municipality or other political subdivision of a State. It shall, so far as is practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for such generation, transmission, distribution, and sale; the capacity and output thereof and the relationship between the two; the cost of generation, transmission, and distribution; the rates, charges, and contracts in respect of the sale of electric energy and its service to residential, rural, commercial, and industrial consumers and other purchases by private and public agencies; * * *"

GENERAL INFORMATION

1. Name, title, address and telephone number (including area code) of the person to be contacted concerning this report. MR. GEORGE T. BERRY, GENERAL MANAGER AND CHIEF ENGINEER,
10 COLUMBUS CIRCLE, NEW YORK, NY 10019 212-397-6211

2. State the classes of utility and other services furnished by respondent during the year.

Rev (12-69)

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

BALANCE SHEET - End of Year

Line No.	Assets and Other Debits	Amount (a)	Liabilities and Other Credits	Amount (b)
1	UTILITY PLANT	$	INVESTMENT OF MUNICIPALITY & SURPLUS	$
2	Utility Plant	2,389,882,405	Investment of Municipality (c)	
3	Less Accumulated Provision for		Constructive Surplus or Deficit (d)	
4	Deprec. & Amortization		Retained Earnings (e)	
5	Net Utility Plant	2,389,882,405	Total Investment & Surplus	
6	INVESTMENTS		LONG-TERM DEBT	
7	Nonutility Property (less Accum.		Bonds	1,355,230,000
8	prov. for Deprec. and		Notes Payable	200,000,000
9	Amortization $)		Other Long-Term Debt	
10	Advances to Municipality (a)		Unamortized Premium on long-term debt	
11	Investments & Special Funds		Unamortized Discount on Long-Term Debt-Dr.	
12	Total Investments		Total Long-Term Debt	1,555,230,000
13	CURRENT AND ACCRUED ASSETS		CURRENT AND ACCRUED LIABILITIES	
14	Cash & Working Funds	124,616,253	Warrants Payable	
15	Temp. Cash Investments	166,895,635	Notes and Accounts Payable	395,989,128
16	Notes & Accts. Receivable		Payables to Municipality (g)	
17	(less Accum. Prov. for		Retained on Contracts	3,446,001
18	Uncoll. Accounts $)	23,775,064	Taxes Accrued	
19	Receivables from Municipality (b)		Interest Accrued	
20	Materials & Supplies	3,597,388	Misc. Current & Accrued Liabilities	
21	Prepayments	5,238,264	Total Current & Accrued Liabilities	399,435,129
22	Misc. Current & Accrued Assets		DEFERRED CREDITS	
23	Total Current & Accrued Assets	324,122,604	Customer Advances for Construction	
24	DEFERRED DEBITS		Other Deferred Credits	
25	Unamort. Debt Expense		Unamortized Gain on Reacquired Debt	
26	Extraordinary Property Losses		Total Deferred Credits	
27	Miscellaneous Deferred Debits	1,538,696	OPERATING RESERVES	
28	Unamortized loss on reacquired		OTHER RESERVES	800,494,992
29	Debt		Property Insurance Reserve	
30	Total Deferred Debits	1,538,696	Injuries and Damages Reserve	
31			Pensions and Benefits Reserve	
32	Prelimary Investigations	39,616,416	Miscellaneous Operating Reserves	
33			Total Operating Reserves	800,494,992
34				
35				
36				
37	TOTAL ASSETS & OTHER DEBITS	2,755,160,121	TOTAL LIABILITIES & OTHER CREDITS	2,755,160,121

(Footnotes on page 4).

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

CONDENSED INCOME STATEMENT - For the Year

Line No.	Item (a)	Amount (b)
	Electric utility operating income:	$ 143,363,169
1	Operating revenues	
2	Operation expenses	28,885,590
3	Maintenance expenses	10,024,758
4	Depreciation and amortization	
5	Taxes and tax equivalents	
6	Total electric operating expenses	38,910,348
7	Net operating revenues	104,452,821
8	Income from plant leased to others	
9	Electric utility operating income	
10	Other utility operating income (utility departments other than electric - specify)	
11		
12	Total utility operating income	104,452,821
13	*Other income Interest Income $12,279,433 Other $88,561	12,367,994
14	Allowance for funds used during construction	
15	Gross income	116,820,815
	Income deductions:	
16	Interest on long-term debt	56,728,540
17	*Other income deductions (see sch. pg. 4, Exp. for Cert. Civic, Political & Rel. Activities)	
18	Total income deductions	56,728,540
19	Income before extraordinary items	60,092,275
20	Extraordinary income (see footnote (i) page 4)	
21	Extraordinary deductions (see footnote (i) page 4) Other Income Deductions	60,092,275
22	Net income	-0-

RETAINED EARNINGS

Line No.	Item (a)	Amount (b)
31	Balance beginning of year	$
32	Amount transferred from income account	
33	*Miscellaneous credits	NONE
34		
35	Authorized cash distribution to municipality (see note (h) on page 4)	
36	*Miscellaneous debits	
37		
38	Balance end of year	

ELECTRIC SALES DATA FOR THE YEAR

Line No.	Class of Service (a)	Revenues (b)	Kilowatt-hours (c)	Avg. No. of Customers 2/ (d)
41	Residential sales	$		
	Commercial and industrial sales :			
42	Small (or Commercial) see 1/ below			
43	Large (or Industrial) see 1/ below	18,080,902	4,618,703	14
44	Public street and highway lighting			
45	Other sales to ultimate consumers			
46	Total sales to ultimate consumers	18,080,902	4,618,703	14
47	Sales for resale	116,698,924	21,705,728	51
48	Total sales of electric energy	134,779,826	26,324,431	65
49	Other electric revenues	8,583,343	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx
50	Total electric operating revenues	143,363,169	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx

1/ Classification of Commercial and Industrial sales according to Small (or Commercial) and Large (or Industrial) may be according to the basis of classification regularly used by the respondent. However, if such regularly used classification is based on demand and the division between small and large is in excess of 1000 kw demand then for purposes of this report the classification shall be small, 1000 kw demand or less, and large, demand in excess of 1000 kw.

2/ Number of customers should be reported on the basis of number of meters, plus number of flat rate accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added. The average number of customers means the average of the 12 figures at the close of each month. If the customer count in the residential service classification includes customers counted more than once because of special services, such as water heating, etc., indicate in a footnote the number of such duplicate customers included in the classification.

* Explain significant amounts.

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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

EXPENDITURES FOR CERTAIN CIVIC, POLITICAL AND RELATED ACTIVITIES

1. Report below all expenditures incurred by the respondent during the year for the purpose of influencing public opinion with respect to the election or appointment of public officials, referenda, legislation, or ordinances (either with respect to the possible adoption of new referenda, legislation or ordinances or repeal or modification of existing referenda, legislation or ordinances) or approval, modification, or revocation of franchises; or for the purpose of influencing the decisions of public officials, but shall not include such expenditures which are directly related to appearances before regulatory or other governmental bodies in connection with the reporting utility's existing or proposed operations.
2. Advertising expenditures included in this Schedule shall be classified according to subheadings, as follows: (a) radio, television, and motion picture advertising; (b) newspaper, magazine, and pamphlet advertising; (c) letters or inserts in customers' bills; (d) inserts in reports to stockholders; (e) newspaper and magazine editorial services; and (f) other advertising.
3. Expenditures within the definition of Instruction (1), other than advertising shall be reported according to captions or descriptions, clearly indicating the nature and purpose of the activity.
4. If respondent has not incurred any expenditures contemplated by Instruction (1), so state.
5. For reporting years which begin during the calendar year 1964 only, minor amounts may be grouped by classes if the number of items so grouped is shown.

Line No.	Item (a)	Amount (b)
1		$
2		
3		
4		
5	NONE	
6		
7		
8		
9		
10		

THE FOLLOWING EXPLANATIONS ARE FURNISHED FOR THE INFORMATION OF PERSONS NOT FAMILIAR WITH THE ACCOUNTS INDICATED.

(a) ADVANCES TO MUNICIPALITY: This account is designed to include the amount of loans and advances made by the utility department to the municipality or its other departments, when such loans or advances are subject to repayment but not subject to current settlement.

(b) RECEIVABLES FROM MUNICIPALITY: This account is designed to include all charges by the utility department against the municipality or its other departments which are subject to current settlement.

(c) INVESTMENT OF MUNICIPALITY: This account is designed to include the investment of the municipality in its utility department, when such investment is not subject to cash settlement on demand or at a fixed future time. Include herein the cost of debt-free utility plant constructed or acquired by the municipality and made available for use of the utility department, cash transferred to the utility department for working capital, and other expenditures of an investment nature.

(d) CONSTRUCTIVE SURPLUS OR DEFICIT: This account is designed to include amounts representing the exchange of services, supplies, etc., between the utility department and the municipality and its other departments without charge or at a reduced charge. Charges to this account would include utility and other services, supplies, etc., furnished by the utility department to the municipality or its other departments without charge, or the amount of the reduction if furnished at a reduced charge. Credits to the account would consist of services, supplies, office space, etc., furnished by the municipality to the utility department without charge or the amount of the reduction if furnished at a reduced charge.

(e) RETAINED EARNINGS: This account is designed to include the balance, either debit or credit, of appropriated or unappropriated retained earnings of the utility department arising from earnings.

(f) ADVANCES FROM MUNICIPALITY: This account is designed to include the amount of loans and advances made by the municipality or its other departments to the utility department when such loans and advances are subject to repayment but not subject to current settlement.

(g) PAYABLES TO MUNICIPALITY: This account is designed to include amounts payable by the utility department to the municipality or its other departments which are subject to current settlement.

(h) AUTHORIZED CASH DISTRIBUTION TO MUNICIPALITY: This account is designed to include the cash distributions authorized to be made to the municipality out of the earned surplus of the utility department.

(i) EXTRAORDINARY INCOME: (DEDUCTIONS) These accounts are designed to include those items related to transactions of a nonrecurring nature which are not typical or customary business activities of the utility and which would significantly distort the current year's net income if reported other than as extraordinary items.

ANNUAL REPORT
POWER AUTHORITY OF THE STATE OF NEW YORK
YEAR ENDED DECEMBER 31, 1975
OTHER INCOME DEDUCTIONS

For Retirement of Bonds		$75,261,282
Working Capital Article V Section 505 General Revenue Bond Resolution		1,838,837
Additions to Electric Plant		6,468,579
Additions to Improvement Fund		28,483
Additions to Nuclear Fuel Reserve Account		700,000
Bond proceeds used to provide:		
Interest on Long-Term debt .	($19,858,660)	
Fuel	(4,346,246)	(24,204,906)
		$60,092,275

ANNUAL REPORT
POWER AUTHORITY OF THE STATE OF NEW YORK
YEAR ENDED DECEMBER 31, 1975
OTHER INCOME DEDUCTIONS

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		$60,092,275

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

SALES OF ELECTRICITY FOR RESALE

(ADP Code 041)

1. Report below the information called for concerning sales during year to other electric utilities, cooperatives, and to cities or other public authorities for distribution to ultimate consumers.
2. For each sale designate statistical classification in column (b) thus: FP, for firm power supplying total system requirements of customer or total requirements at a specific point of delivery; FP(P), for firm power supplementing customer's own generation or other purchases; O, for other power. Note: Include in the O classification sales in which the power delivered cannot be classified under either of the above definitions.
3. The number of kilowatt-hours sold should be the quantities shown on the bills rendered.

Line No.	Sales to (a)	Statistical Classification (b)	Point of Delivery (c)	Voltage (d)	Kilowatt-hours (e)	Annual Maximum Demand 1/ (f)	Revenues Amount (g)	Revenues Per Kwh (h)
							$	Cents
1								
2								
3								
4			SEE SCHEDULE ATTACHED					
5								
6								
7								

OPERATION AND MAINTENANCE EXPENSES

(ADP Code 050)

Line No.	Item (a)	Operation (b)	Maintenance (c)	Total (d)
	Production expenses:	$	$	$
11	Steam power generation	9,255,245	1,993,072	11,248,317
12	Nuclear power generation	5,102,401	6,062,610	11,165,011
13	Hydraulic power generation	576,335		576,335
14	Other power generation (specify) Unit Rental			
15	Purchased power	185,699		185,699
16	Other production expenses			
17	Total production expenses	$ 15,119,680	$ 8,055,682	$ 23,175,362
18	Transmission expenses	3,605,671	1,514,175	5,119,846
19	Distribution expenses			
20	Customer accounts expenses			
21	Sales expenses			
22	Administrative & general expenses	10,160,239	454,901	10,615,140
23	TOTAL ELECT. OPERATION & MAINT. EXPENSES	$ 28,885,590	$ 10,024,758	$ 38,910,348

PURCHASED POWER

(ADP Code 052)

1. Report below the information called for concerning power purchased for resale during the year.
2. The number of kilowatt-hours purchased should be the quantities shown on the bills rendered.
3. Interchange transactions should be reported net in this schedule whether the net is a receipt or a delivery by respondent. Indicate such transactions with an asterisk.

Line No.	Purchased From (a)	Point of Receipt (b)	Voltage (c)	Kilowatt-hours (d)	Annual Maximum Demand 1/ (e)	Cost Amount (f)	Cost Per kwh (g)
						$	Cents
31							
32							
33							
34		NONE					
35							
36							
37							
38							
39							

1/ Kw or kva (specify which).

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

UTILITY PLANT

Line No	Item (a)	Balance Beginning of Year (b)	Additions During Year (c)	Retirements During Year (d)	Transfers and Adjustments (e)	Balance End of Year (f)
	Electric Utility Plant:	$	$	$	$	$
	Electric Plant in Service:					
1	Intangible Plant					
	Production Plants:					
2	Steam Production					
3	Nuclear Production					
4	Hydraulic Production	670,581,918	8937		742500	671333355
5	Not Classified	478,459,258	14400510		333290264	826150032
6	Total Production Plant	670,581,918	14409447		334032764	1497483387
7	Transmission Plant	122,688,085	19406		703377	123410868
8	Distribution Plant					
9	General Plant	8,723,692	945420		(15333)	9653779
10	Total Electric Plant in Service	1280,452,953	15374273		334720808	1630548034
11	Electric Plant Leased to Others					
12	Construction Work in Progress-Electric	597,989,313				719161841
13	Nuclear Fuel					40172530
14	*Electric Plant Acquisition Adjustments					
15	Total Electric Plant					
16	Plant of Other Utility Depts. (specify)					
17						
18	Total Utility Plant	1,878,442,266				2389882405

* This account is designed to include the difference between (a) the cost to the respondent utility of electric plant acquired as an operating unit or system by purchase and (b) the depreciated original cost, estimated if not known, of such property.

ACCUMULATED PROVISIONS FOR DEPRECIATION OF UTILITY PLANT

Line No.	Name of Utility Department (a)	Balance Beginning of Year (b)	Depreciation Accruals for Year (c)	Net Charges for Plant Retired During Year (d)	Other Items Debit or Credit (Explain) (e)	Balance End of Year (f)
		$	$	$	$	$
21	Electric					
22	Other utility department (specify)					
23			NONE			
24						
25	Total					

LONG-TERM DEBT

Line No.	Class and Series of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding per Balance Sheet (d)	Interest for Year Rate (e)	Interest for Year Amount (f)
				$		$
31						
32						
33						
34	SEE SCHEDULE ATTACHED					
35						
36						
37						
38						
39						
40						

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SALES TO	ITEM # 2	POINT OF DELIVERY	VOLTAGE IN KV	KILOWATT HOURS (1000's) MWH	ANNUAL MAXIMUM DEMAND KW	REVENUES AMOUNT	REVENUES PER KWH CENTS
Other Electric Utilities							
St. Lawrence Project							
Niagara Mohawk	0	Town of Croghan	230	1,026,169	118,023	$4,363,539.07	0.425
N.Y.S. Electric & Gas	0	Saranac Substation	115	164,914	20,356	771,797.46	0.468
Niagara Project							
Niagara Mohawk	0	Clay & Edic Substat.	345	9,148,878	1,244,490	40,531,261.63	0.443
N.Y.S. Electric & Gas	0	Niagara Switchyard	230	3,447,947	480,968	15,964,179.25	0.463
Rochester Gas & Elect.	0	Rochester Substat.	345	1,674,050	192,000	7,518,126.62	0.499
Hydro Electric	0						
Power Comm. Ontario	0	Niagara Switchyard	230	255	-	885.11	0.347
Cooperatives							
St. Lawrence Project							
Delaware City Elect. Cooperative	FP	6 Points Delaware & Schoharie Counties	46	28,717	6,937	195,692.79	0.681
Oneida Madison Elect. Cooperative	FP	6 Points Oneida & Madison Counties	46	10,718	2,629	73,633.84	0.687
Otsego Elect. Coop.	FP	3 Points Otsego County	46	28,919	6,712	194,565.66	0.673
Niagara Project							
Chautauqua Cattaraugus Electric Cooperative	FP	1 Point-Cherry Oak New York	34.5	3,675	1,726	25,190.93	0.686
Steuben Rural Elect. Cooperative	FP	5 Points-Steuben County	34.5	35,873	9,221	240,873.59	0.672
Allegheny Elect. Coop.	FP	N.Y.-Pa. State Line or Equivalent	Various	799,500	130,000	4,318,665.00	0.540
Municipalities							
St. Lawrence Project							
City of Plattsburgh	FP	Plattsburgh Substat.	115	331,317	70,840	1,776,980.86	0.536

SALES TO	ITEM #2	POINT OF DELIVERY	VOLTAGE IN KV	KILOWATT HOURS (1000's) MWH	ANNUAL MAXIMUM DEMAND KW	REVENUES AMOUNT	REVENUES PER KWH CENTS
Municipalities							
St. Lawrence Project (continued)							
Village of Boonville	FP	Boonville, N.Y.	46	37,331	7,878	$ 251,742.22	0.674
Solvay	FP	Solvay, New York	115	225,635	37,417	1,387,441.42	0.615
Rouses Point	FP	Rouses Point, N.Y.	46	32,699	6,085	223,619.90	0.684
Theresa	FP	Theresa, New York	23	4,303	1,020	28,534.41	0.663
Philadelphia	FP	Philadelphia, N.Y.	23	5,366	1,215	35,452.90	0.661
Ilion	FP	Ilion, New York	46	47,037	10,071	309,166.04	0.657
Mohawk	FP	Mohawk, New York	46	13,718	2,908	91,653.18	0.668
Village of Hamilton	FP	Hamilton, New York	46	35,209	6,896	217,759.95	0.619
Skaneateles	FP	Skaneateles, N.Y.	34.5	17,699	3,603	113,439.70	0.641
Frankfort	FP	Frankfort, N.Y.	46	12,319	2,539	82,566.69	0.670
Sherburne	FP	Sherburne, New York	46	26,747	5,888	182,536.02	0.683
Lake Placid Village	FP	Lake Placid, N.Y.	46	34,612	7,661	259,121.10	0.749
Village of Tupper Lake	FP	Tupper Lake, N.Y.	2.4	36,306	8,595	270,326.23	0.745
Niagara Project							
City of Jamestown	FP	Jamestown, N.Y.	115	116,447	21,000	782,567.77	0.672
City of Salamanca	FP	Salamanca, N.Y.	115	42,919	7,974	282,947.04	0.659
Village of Andover	FP	Andover, N.Y.	34.5	4,140	928	27,147.33	0.656
Akron	FP	Akron, N.Y.	34.5	17,592	3,487	121,637.68	0.691
Wellsville	FP	Wellsville, N.Y.	34.5	45,441	8,570	347,361.67	0.764
Fairport	FP	Fairport, N.Y.	115	144,795	30,781	945,694.72	0.653
Little Valley	FP	Little Valley, N.Y.	34.5	14,343	2,792	95,381.21	0.665
Springville	FP	Springville, N.Y.	34.5	29,166	6,132	200,090.93	0.686
Bergen	FP	Bergen, New York	34.5	7,904	2,509	54,628.34	0.691
Westfield	FP	Westfield, N.Y.	34.5	45,229	4,499	294,315.73	0.651
Mayville	FP	Mayville, N.Y.	34.5	15,473	3,211	108,002.85	0.697
Churchville	FP	Churchville, NY	34.5	6,673	1,446	45,258.25	0.678
Spencerport	FP	Spencerport, N.Y.	69	33,201	7,741	221,432.62	0.667
Watkins Glen	FP	Watkins Glen, N.Y.	34.5	15,649	2,968	101,676.56	0.650
Bath	FP	Bath, New York	34.5	37,720	3,579	244,662.92	0.649
Endicott	FP	Endicott, New York	34.5	32,966	6,800	223,522.22	0.678
Arcade	FP	Arcade, New York	115	63,062	14,056	427,160.43	0.677

SALES TO	ITEM #2	POINT OF DELIVERY	VOLTAGE IN KV	KILOWATT HOURS (1000's) MWH	ANNUAL MAXIMUM DEMAND KW	REVENUES AMOUNT	REVENUES PER KWH CENTS
Niagara Project (continued)							
Angelica	FP	Angelica, New York	34.5	4,813	1,033	$ 31,413.38	0.653
Silver Springs	FP	Silver Spings	34.5	2,608	568	17,479.44	0.670
Marathon	FP	Marathon, New York	34.5	8,821	1,832	58,446.29	0.663
Groton	FP	Groton, New York	34.5	13,163	3,179	97,617.01	0.742
Castile	FP	Castile, New York	34.5	4,503	884	29,474.97	0.655
Penn Yan	FP	Penn Yan, New York	34.5	37,734	7,221	254,139.96	0.674
Other Public Utilities							
St. Lawrence Project							
P.S.B. of Vermont	0	State Line near Plattsburgh, N.Y.	115	827,523	101,781	3,952,384.29	0.478
Niagara Project							
P.S.B. of Vermont	0	State Line near Plattsburgh, N.Y.	115	326,072	52,632	1,998,334.56	0.613
Total St. Lawrence & Niagara Project				19,127,890		$90,391,529.74	

SALES TO	ITEM #2	POINT OF DELIVERY	VOLTAGE IN KV	KILOWATT HOURS (1000's) MWH	ANNUAL MAXIMUM DEMAND KW	REVENUES AMOUNT	REVENUES PER KWH CENTS
Blenheim Gilboa Project							
Niagara Mohawk	0	Points of Inter-	345	320,564	550,000	$8,908,180.88	2.779
N.Y.S. Electric & Gas	0	connection of	345	114,149	200,000	3,509,708.40	3.075
Rochester Gas & Elect.	0	Authority's 345 KV	345	79,155	150,000	2,429,578.80	3.069
Central Hudson Gas & Electric	0	Transmission Line from Project to Transmission facilities of Niagara Mohawk and N.Y.S. Gas & Electric.	345	43,307	100,000	1,350,000.00	3.117
FitzPatrick Project							
Central Hudson		Points of Inter-	345	88,958	16	438,472.40	0.493
Consolidated Edison		connection of	345	669,562	131	3,479,074.73	0.467
Long Island Lighting Co.		Authority's 345 KV	345	235,756	45	1,188,800.71	0.452
N.Y.S. Electric & Gas		from Project to	345	225,907	42	1,102,442.79	0.488
Niagara Mohawk		Transmission facili-	345	667,549	118	3,226,444.29	0.483
Orange & Rockland		ties of Niagara Mohawk	345	55,258	11	286,024.14	0.518
Rochester Gas & Electric			345	77,673	14	388,667.44	0.500
Total Blenheim & FitzPatrick Project				2,577,838		26,307,394.58	
GRAND TOTAL				21,705,728		$116,698,924.32	

POWER AUTHORITY OF THE STATE OF NEW YORK
LONG TERM DEBT
DECEMBER 31, 1975

	NOMINAL DATE OF ISSUE	DATE OF MATURITY	OUTSTANDING PER BALANCE SHEET	INTEREST FOR YEAR RATE	INTEREST FOR YEAR AMOUNT
St. Lawrence Project & Related Transmission Lines					
Series A Term Bonds	1/1/55	1995	$ 112,089,000	3.20%	$3,586,848
Series B Serial Bonds	1/1/56	1977-1985	1,594,000	2.75% and 2.80%	44,234
Series C Serial Bonds	1/1/57	1977-1985	1,495,000	3.75%	56,063
Niagara Power Project					
Series E Term Bonds	1/1/59	2006	65,086,000	4.20%	2,733,612
Serial Bonds	1/1/59	1977	3,075,000	3.75%	115,313
Series F Term Bonds	1/1/59	2006	67,356,000	4.20%	2,828,952
Serial Bonds	1/1/59	1977-1979	9,850,000	3.75%	369,375
Series G Term Bonds	1/1/60	2006	41,931,000	4.375%	1,834,481
Serial Bonds	1/1/60	1977-1979	5,900,000	4.00%	236,000
Series H Term Bonds	1/1/60	2006	28,035,000	4.125%	1,156,444
Serial Bonds	1/1/60	1977-1980	6,105,000	3.75%	228,937
Series J Term Bonds	1/1/61	2006	37,264,000	3.75%	1,397,400
Serial Bonds	1/1/61	1977-1979	4,895,000	3.25% and 3.40%	162,749
Series K Term Bonds	7/1/63	2006	8,724,000	3.625%	316,245
Serial Bonds	7/1/63	1977-1980	1,270,000	3.25% and 3.35%	41,910
Second Circuit Transmission Line Project					
Series L Term Bonds	1/1/64	2006	4,041,000	3.55%	143,456
Serial Bonds	1/1/64	1977-1984	2,520,000	3.25% and 3.30%	83,790
		Present Facilities	401,230,000		
1970 Project					
Series A Term Bonds	12/1/70	2010	120,000,000	6.875%	8,250,000
Serial Bonds	12/1/70	1986-1993	20,000,000	6.50%	1,300,000
Series B Term Bonds	4/1/71	2010	85,500,000	5.625%	4,809,375
Serial Bonds	4/1/71	1986-1995	24,500,000	5.10% to 5.50%	1,304,480
Series D Term Bonds	10/1/71	2010	98,000,000	5.875%	5,757,500
Serial Bonds	10/1/71	1986-1995	22,000,000	5.10% to 5.60%	1,202,800
Series E Term Bonds	2/1/72	2010	39,000,000	5.50%	2,145,000
Serial Bonds	2/1/72	1986-1995	11,000,000	4.90% to 5.30%	570,272
Series F Term Bonds	7/1/72	2010	95,000,000	5.50%	5,225,000
Serial Bonds	7/1/72	1986-1995	29,000,000	4.75% to 5.30%	1,491,360
Series G Term Bonds	10/1/73	2010	85,000,000	5.375%	4,568,750
Serial Bonds	10/1/73	1986-1995	25,000,000	5.00% to 5.20%	1,274,410
		1970 Project	654,000,000		

POWER AUTHORITY OF THE STATE OF NEW YORK
LONG TERM DEBT
DECEMBER 31, 1975

	NOMINAL DATE OF ISSUE	DATE OF MATURITY	OUTSTANDING PER BALANCE SHEET	INTEREST FOR YEAR RATE	INTEREST FOR YEAR AMOUNT
General Purpose					
Series A Term Bonds	1/1/75	2010	$ 125,000,000	7.875%	$9,834,750
Serial Bonds	1/1/75	1987-1995	25,000,000	6.50% to 7.30%	1,759,585
Series B Term Bonds	6/1/75	2010	110,000,000	8.125%	8,937,500
Serial Bonds	6/1/75	1987-1997	40,000,000	6.90% to 7.90%	3,012,132
	General Purpose		300,000,000		
	TOTAL BONDS		$1,355,230,000		
General Purpose Notes					
Promissory Notes	7/1/75	7/1/78	$ 150,000,000	7 1/4%	$10,875,000
Promissory Notes	7/1/75	7/1/80	50,000,000	7 1/2%	3,750,000
	TOTAL NOTES		$ 200,000,000		
	TOTAL LONG TERM DEBT		$1,555,230,000		

Annual Report of Power Authority of the State of New York Year ended December 31, ,19 75

TAXES, TAX EQUIVALENTS, CONTRIBUTIONS AND SERVICES DURING YEAR

1. Report below the information called for respecting contributions and services to the municipality or other government units by the electric utility and, conversely, by those bodies to the electric utility. Do not include: (a) loans and advances which are subject to repayment or which bear interest, (b) payments in retirement of loans or advances previously made, (c) contributions by the municipality of funds or property which are of the nature of investment in the electric utility department.
2. Enter in column (c) the total contributions made or received. Show in column (d) amounts included in column (c) which have been accounted for in the respondent's financial statements, i.e., balance sheet, income account, earned surplus, operating revenues, operating expenses, etc., and in column (e) show amounts which are not accounted for in respondent's financial statements. For those amounts not included in respondent's financial statements, explain in a footnote the reason for their omission.
3. Taxes included in this schedule should be limited to those amounts chargeable to operations of the electric utility department. Exclude gasoline and other sales taxes which are included in the cost of transportation and materials.
4. Tax equivalents included in this schedule should be amounts which are understood to constitute payments equivalent to or in lieu of amounts which would be paid if the electric utility department were subject to local tax levies.

Line No.	Item (a)	kwh 1,000's (b)	Amount of Contribution or Value of Services: Total (c)	Included in Financial Statements (d)	Not included in Financial Statements (e)
	By the Electric Utility to the Municipality or Other Government Units:		$	$	$
1	Taxes	xxxxxxxxxxxxx			
2	Tax equivalents	xxxxxxxxxxxxx			
3	To general funds of the municipality	xxxxxxxxxxxxx			
4	Other (specify*)	xxxxxxxxxxxxx			
5		xxxxxxxxxxxxx			
6	Total contributions	xxxxxxxxxxxxx			
7	Street and highway lighting	19			$ 190.00
8	Municipal pumping				
9	Other municipal light and power				
10	Other electric service	5033			50,330.00
11	Nonelectric service (specify*)	xxxxxxxxxxxxx			
12		xxxxxxxxxxxxx			
13	Total services	5052			$ 50,520.00
14	Total contributions and services by the electric utility				
	By the Municipality or Other Government Units to the Electric Utility:				
15	For operations and property maintenance				
16	Other (specify*)				
17					
18	Total contributions				
19	Office space				
20	Water				
21	Engineering service				
22	Legal service				
23	Other service (specify*)				
24					
25	Total services				
26	Total contributions and services by the municipality				
27	Net Contributions and Services by the Electric Utility to the Municipality or Other Government Units (line 14 minus line 26)				

* Use insert sheet if necessary.

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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 1975

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are steam plants of 25,000 kw. or more of installed capacity (name plate rating). Include gas-turbine and internal combustion plants of 10,000 kw. and more in this schedule. Include nuclear plants.

2. If any plant is leased or operated as a joint facility, indicate such fact by the use of asterisks and footnotes.

3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.

4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

5. If gas is used and purchased on a therm basis, the B.t.u. content of the gas should be given and the quantity of fuel burned converted to M cu. ft. (14.73 psia at 60 °F).

6. Quantities of fuel burned (line 38) and average cost per unit of fuel burned (line 41) should be consistent with charges to expense accounts 501 and 547 (line 42) as shown on line 21.

7. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

8. The items under cost of plant represents accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production

Line No.	Item (a)	Plant Name: (b)			(c)		
1	Kind of plant (steam, internal combustion, gas turbine or nuclear)						
2	Type of plant construction (conventional, outdoor boiler, full outdoor, etc.)						
3	Year originally constructed						
4	Year last unit was installed						
5	Total installed capacity (maximum generator name plate ratings in kw.)						
6	Net peak demand on plant—kw. (60 minutes)						
7	Plant hours connected to load						
8	Net continuous plant capability, kilowatts:						
9	(a) When not limited by condenser water						
10	(b) When limited by condenser water						
11	Average number of employees						
12	Net generation, exclusive of plant use						
13	Cost of plant:						
14	Land and land rights						
15	Structures and improvements						
16	Equipment costs						
17	Total cost						
18	Cost per kw. of installed capacity (Line 5)						
19	Production expenses:						
20	Operation supervision and engineering						
21	Fuel						
22	Coolants and water (nuclear plants only)						
23	Steam expenses						
24	Steam from other sources						
25	Steam transferred (Cr.)						
26	Electric expenses						
27	Misc. steam power expenses (or nuclear)						
28	Rents						
29	Maintenance supervision and engineering						
30	Maintenance of structures						
31	Maintenance of boiler plant (or reactor plant)						
32	Maintenance of electric plant						
33	Maintenance of misc. steam plant (or nuclear)						
34	Total production expenses						
35	Expenses per net kwh. (Mills—2 places)						
36	Fuel: Kind	Coal	Gas	Oil	Coal	Gas	Oil
37	Unit: (Coal—tons of 2,000 lb.) (Oil—barrels of 42 gals.) (Gas—M cu. ft.) (Nuclear, indicate)						
38	Quantity (units) of fuel burned						
39	Average heat content of fuel burned (B.t.u. per lb. of coal, per gal. of oil, or per cu. ft. of gas)						
40	Average cost of fuel per unit, as delivered f.o.b. plant during year						
41	Average cost of fuel per unit burned						
42	Avg. cost of fuel burned per million B.t.u.						
43	Avg. cost of fuel burned per kwh. net gen						
44	Average B.t.u. per kwh. net generation						

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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

9. For I.C. and G.T. plants report Operating Expenses, Acc'ts. Nos. 548 and 549 on line 26 "Electric Expenses," and Maintenance Acc'ts. Nos. 553 and 554 on line 32 "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants.

10. If any plant is equipped with combinations of steam, hydro, internal combustion or gas turbine equipment, each should be reported as a separate plant. However, if a gas turbine unit functions in a combined cycle operation with a conventional steam unit, the gas turbine should be included with the steam plant.

11. If the respondent operates a nuclear power generating plant append: (a) a brief explanatory statement concerning accounting for the cost of power generated including any attribution of excess costs to research and development expenses; (b) a brief explanation of the fuel accounting specifying the accounting methods and types of cost units used with respect to the various components of the fuel cost, and (c) such additional information as may be informative concerning the type of plant, kind of fuel used, and other physical and operating characteristics of the plant.

(d)	(e)	(f)	Line No.
	NONE		1
			2
			3
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Coal	Gas	Oil	Coal	Gas	Oil	Coal	Gas	Oil	Line No.
									36
									37
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									40
									41
									42
									43
									44

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 1975

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 kw. or more of installed capacity (name plate ratings).

2. If any plant is leased, operated under a license from the Federal Power Commission, or operated as a joint facility, indicate such facts by the use of asterisks and footnotes. If licensed project give project number.

3. If net peak demand for 60 minutes is not available, give that which is available, specifying period.

4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	FPC Licensed Project No. and Plant Name: Item (a)	Robert Moses Power Dam #2000 (b)	Robert Moses Niagara Power Plant & Lewiston Pumped Generating (c) Plant #2216
1	Kind of plant (run-of-river or storage)	Run of River	Run of River
2	Type of plant construction (conventional or outdoor)	Conventional	Conventional
3	Year originally constructed	1958 (A)	1961 (A)
4	Year last unit was installed	1959	1962
5	Total installed capacity (generator name plate ratings in kw.)	912,000	2,190,000
6	Net peak demand on plant—kilowatts (60 minutes)	960,000	2,723,000
7	Plant hours connected to load	CONTINUOUS	CONTINUOUS
8	Net plant capability, kilowatts:		
9	(a) Under the most favorable oper. conditions	916,000	2,615,000 (B)
10	(b) Under the most adverse oper. conditions	829,000	2,400,000
11	Average number of employees	173	260
12	Net generation, exclusive of plant use	7,307,668,000	17,125,564,000
13	Cost of plant:		
14	Land and land rights		
15	Structures and improvements		
16	Reservoirs, dams, and waterways		
17	Equipment costs		
18	Roads, railroads, and bridges		
19	Total cost	$223,739,641	$445,517,637
20	Cost per kw. of installed capacity (Line 5)	$ 245.33	$ 203.43
21	Production expenses:		
22	Operation supervision and engineering	73,456	99,152
23	Water for power	-	-
24	Hydraulic expenses	16,511	289,785
25	Electric expenses	222,142	351,864
26	Misc. hydraulic power generation expenses	164,043	356,214
27	Rents	-	-
28	Maintenance supervision and engineering	197,585	410,159
29	Maintenance of structures	122,595	181,604
30	Maintenance of reservoirs, dams, and waterways	75,641	50,838
31	Maintenance of electric plant	196,444	3,888,673
32	Maintenance of misc. hydraulic plant	281,126	301,538
33	Total production expenses	$1,349,543	$5,929,827
34	Expenses per net kwh. (Mills—2 places)	$ .018	$ .035

(A) Year plant went into operation.
(B) The two plants are operated conjuctively

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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK ..... Year ended DEC 31, 19 75

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under cost of plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

6. If any plant is equipped with combinations of steam, hydro, internal combustion engine or gas turbine equipment, each should be reported as a separate plant.

BLENHEIM GILBOA PUMPED STORAGE GENERATING PLANT (d)	(e)	(f)	Line No.
PUMPED STORAGE			1
CONVENTIONAL			2
1973 (A)			
1973			3
			4
1,000,000			5
1,009,000			6
CONTINUOUS			7
			8
			9
NA			10
NA			11
83			12
(542,837)			13
			14
			15
			16
			17
			18
$170,328,289			19
$170.33			20
			21
15,090			22
-			23
83,320			24
245,460			25
130,341			26
-			27
16,554			28
37,353			29
			30
15,816			
211,228			31
31,075			32
$786,237			33
			34

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

Average Annual Heat Rates and Corresponding Net Kwh Output for Most Efficient Generating Units

1. Report only the most efficient generating units (not to exceed 10 in number) which were operated at annual capacity factors† of 50 percent or higher. List only unit type installations, i.e., single boiler serving one turbine-generator. It is not necessary to report single unit plants in this schedule. Do not include non-condensing or automatic extraction-type turbine units operated for processing steam and electric power generation.

2. Report annual system heat rate for total conventional steam-power generation and corresponding net generation (Line 11).

3. All heat rates on this page and also on page 8 and 9 should be computed on the basis of total fuel burned including burner lighting and banking fuel.

Line No.	Plant Name (a)	Unit No. (b)	MW* (c)	B.t.u. Per Net Kwh. (d)	Net Generation Million Kwh. (e)	Kind of Fuel (f)
1						
2						
3			NONE			
4						
5						
6						
7						
8						
9						
10						
	Total System Steam Plants					
11						

*Generator rating at maximum hydrogen pressure.

†Annual Unit Capacity Factor = Net Generation—Kwh: / Unit KW. Capacity (as included in plant total—line 5, pg. 8 & 9) X 8,760 hours

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of less than 25,000 kw.; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 kw. installed capacity (name plate rating).

2. Designate any plant leased from others, operated under a license from the Federal Power Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project give project number in footnote.

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 10, page 432a.

4. If net peak demand for 60 minutes is not available, give that which is available, specifying period.

5. If any plant is equipped with combinations of steam, hydro, internal combustion or gas turbine equipment, each should be reported as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity-Name Plate Rating-KW (c)	Net Peak Demand KW (60 Min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)	Plant Cost per KW Inst. Capacity (g)	Production Expenses			Kind of Fuel (k)	Fuel Cost Cents per Million B.t.u. (l)
								Operation Exc'l. Fuel (h)	Fuel (i)	Maintenance (j)		
1												
2												
3												
4												
5												
6												
7												
8												
9					none							
10												
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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 1975

STEAM-ELECTRIC GENERATING PLANTS

1. Include in this schedule steam-electric plants of 25,000 kw. (name plate rating) or more of installed capacity.
2. Report the information called for concerning generating plants and equipment at end of year. Show unit type installation, boiler and turbine-generator, on same line.
3. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.
4. Designate any generating plant or portion thereof for which the respondent is not the sole owner. If such property is leased from another company give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant or portion thereof for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses or revenues, and how

Line No.	Name of Plant (a)	Location of Plant (b)	BOILERS				
			Number and Year Installed (c)	Kind of Fuel and Method of Firing (d)	Rated Pressure psig. †††† (e)	Rated Steam Temperature* ††††† (f)	Rated Max. Continuous M lbs. Steam per Hour ††††† (g)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14		NONE					
15							
16							
17							
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33							

Note reference:

*Indicate reheat boilers thusly, 1050/1000.

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 1975

STEAM-ELECTRIC GENERATING PLANTS (Continued)

expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

5. Designate any generating plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.

6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

7. Include in this schedule gas-turbines operated in a combined cycle with a conventional steam unit with its associated steam unit.

TURBINE-GENERATORS**												
	TURBINES				GENERATORS							
					Name Plate Rating in Kilowatts							
Year Installed	Max. Rating Kilowatt †††††	Type†	Steam Pressure at Throttle psig, †††††	R.P.M.	At Minimum Hydrogen Presure	At Maximum Hydrogen Pressure †††††	Hydrogen Pressure ††		Power Factor	Voltage K.v.†††	Plant Capacity, Maximum Generator Name Plate Rating††††	Line No.
							Min.	Max.				
(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	
												1
												2
												3
												4
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Note references:

**Report cross-compound turbine-generator units on two lines: H.P. section and L.P. section.

Designate units with shaft connected boiler feed pumps. Give capacity rating of pumps in terms of full load requirements.

†Indicate tandem-compound (T.C.); cross-compound (C.C.); single casing (S.C.); topping unit (T.); and noncondensing (N.C.). Show back pressures.

††Designate air cooled generators.

†††If other than 3 phase, 60 cycle, indicate other characteristic.

††††Should agree with column (n).

†††††Include both ratings for the boiler and the turbine-generator of dual-rated installations.

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 1975

HYDROELECTRIC GENERATING PLANTS

1. Include in this schedule Hydro plants of 10,000 kw. (name plate rating) or more of installed capacity.
2. Report the information called for concerning generating plants and equipment at end of year. Show associated prime movers and generators on the same line.
3. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.
4. Designate any plant or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant, other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement ex-

Line No.	Name of Plant (a)	Location (b)	Name of Stream (c)	WATER WHEELS			
				Attended or Unattended (d)	Type of Unit* (e)	Year Installed (f)	Gross Static Head With Pond Full (g)
1	Robert Moses	Massena, New York	St. Lawrence	Att.	F. P.	1958	85'
2	Power Plant				Ver	1959	
3							
4	Robert Moses	Lewiston, New York	Niagara River	Att.	F. Ver	1961	310'
5	Plower Plant					1962	
6							
7	Lewiston Pump	Lewiston, N.Y.	Reservoir	Att.	F.Ver*	1961	97'
8	Generating		(Water from			1962	
9	Plant		Niagara River)				
10							
11	Blenheim -	Blenheim Gilboa	Reservoir	Att.	F.Ver*	1973	1085'
12	Gilboa	New York	(Water from				
13	Pumped Stor-		Schohaire Creek)				
14	age Plant						
15							
16							
17							
18							
19	* Reversible Type Unit						
20							
21							
22							
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38							
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40							

*Horizontal or vertical. Also indicate type of runner—Francis (F), fixed propeller (FP), automatically adjustable propeller (AP), Impulse (I). Designate reversible type units by appropriate footnote.

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

HYDROELECTRIC GENERATING PLANTS (Continued)

plaining the arrangement and giving particulars as to such matters as percent ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

5. Designate any plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.

6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

WATER WHEELS—Continued			GENERATORS						Total Installed Generating Capacity in Kilowatts (name plate ratings)	Line No.
Design Head (h)	R.P.M. (i)	Maximum hp. Capacity of Unit at Design Head (j)	Year Installed (k)	Voltage (l)	Phase (m)	Frequency or d.c. (n)	Name Plate Rating of Unit in Kilowatts (o)	Number of Units in Plant (p)	(q)	
81	94.73	80,000	1958-9	13,800	3	60	57,000	16	912,000	1
										2
380	120	200,000	1961-2	13,800	2	60	150,000	13	1,950,000	3
										4
75	112.5	27,000	1961-2	13,800	3	60	20,000	12	240,000	5
										6
1002	257	350,000	1973	16,200	3	6	250,000	4	1,000,000	7
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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS

1. Include in this schedule internal-combustion engine and gas-turbine plants of 10,000 kilowatts and more.

2. Report the information called for concerning plants and equipment at end of year. Show associated prime movers and generators on same line.

3. Exclude from this schedule, plant, the book cost of which is included in Account 121, Nonutility Property.

4. Designate any plants or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and term of lease, and annual rent. For any generating plant other than a leased plant, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars as to such

Line No.	Name of Plant (a)	Location of Plant (b)	PRIME MOVERS			
			Internal-Combustion or Gas-Turbine (c)	Year Installed (d)	Cycle* (e)	Belted or Direct Connected (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12		NONE				
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
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Note references:

*Indicate basic cycle for gas-turbine: open or closed.

Indicate basic cycle for internal-combustion: 2 or 4.

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

INTERNAL-COMBUSTION ENGINE AND GAS-TURBINE GENERATING PLANTS (Continued)

matters as percent of ownership by respondent, name of co-owner, basis of sharing output, expenses, or revenues, and how expenses and/or revenues are accounted for and accounts affected. Specify if lessor, co-owner, or other party is an associated company.

5. Designate any plant or portion thereof leased to another company and give name of lessee, date and term of lease and annual rent and how determined. Specify whether lessee is an associated company.

6. Designate any plant or equipment owned, not operated, and not leased to another company. If such plant or equipment was not operated within the past year, explain whether it has been retired in the books of account or what disposition of the plant or equipment and its book cost are contemplated.

PRIME MOVERS Continued	GENERATORS						Total Installed Generating Capacity in Kilowatts (name plate ratings)	Line No.
Rated hp. of Unit (g)	Year Installed (h)	Voltage (i)	Phase (j)	Frequency or d.c. (k)	Name Plate Rating of Unit in Kilowatts (l)	Number of Units in Plant (m)	(n)	
								1
								2
								3
								4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
				NONE				15
								16
								17
								18
								19
								20
								21
								22
								23
								24
								25
								26
								27
								28
								29
								30
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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DEC 31, 19 75

CHANGES MADE OR SCHEDULED TO BE MADE IN GENERATING PLANT CAPACITIES

Give below the information called for concerning changes in electric generating plant capacities during the year.

A. Generating Plants or Units Dismantled, Removed from Service, Sold, or Leased to Others During Year

Line No.	Name of plant (a)	Disposition* (b)	INSTALLED CAPACITY—KILOWATTS Hydro (c)	Steam (d)	Other (e)	Date** (f)	If sold or leased to another give name and address of purchaser or lessee (g)
1							
2							
3							
4							
5							
6		NONE					
7							

*State whether dismantled, removed from service, sold, or leased to another. Plants removed from service include those not maintained for regular or emergency service. **Date dismantled, removed from service, sold, or leased to another. Designate complete plants as such.

B. Generating Units Scheduled for or Undergoing Major Modifications

Line No.	Name of plant (a)	Character of Modification (b)	Installed Plant Capacity After Modification—Kilowatts (c)	ESTIMATED DATES OF CONSTRUCTION Start (d)	Completion (e)
1					
2					
3					
4		NONE			
5					
6					
7					

C. New Generating Plants Scheduled for or Under Construction

Line No.	Plant Name and location (a)	Type* (b)	INSTALLED CAPACITY KILOWATTS Initial (c)	Ultimate (d)	ESTIMATED DATES OF CONSTRUCTION Start (e)	Completion (f)
1						
2						
3						
4		SEE SCHEDULE ATTACHED				
5						
6						
7						

D. New Units in Existing Plants Scheduled for or Under Construction

Line No.	Plant Name and location (a)	Type* (b)	Unit No. (c)	Size of Unit Kilowatts (d)	ESTIMATED DATES OF CONSTRUCTION Start (e)	Completion (f)
1						
2						
3						
4						
5						
6						
7						

*Hydro, pumped storage, steam, internal-combustion, gas-turbine, nuclear, etc.

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 ,19 75

TRANSMISSION LINE STATISTICS

1. Report below information requested concerning each transmission line. Show highest voltages first. If more space is required use an insert page with column headings as shown in this schedule.
2. The type of supporting structure reported in column (d) should indicate whether (1) single pole, wood or steel; (2) H-frame, wood or steel poles; (3) tower; or (4) underground construction.
3. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another give name of lessor.
4. Designate any transmission line leased to another and give name of lessee.

Line No.	DESIGNATION From (a)	DESIGNATION To (b)	Voltage (c)	Type of Supporting Structure (d)	LENGTH (POLE MILES) On Structures of Line Designated (e)	LENGTH (POLE MILES) On Structures of Another Line (f)	Number of Circuits (g)	Size of Conductor and Material (h)
1								
2								
3								
4								
5			ATTACHED					
6								
7								
8								
9								
10								

TRANSMISSION LINES ADDED DURING THE YEAR

1. Report below the information called for concerning transmission lines added during the year. It is not necessary to report minor revisions of lines. If more space is required use an insert page with column headings as shown in this schedule.
2. Show each transmission line separately. If construction is underground indicate by footnote. If actual costs of completed construction are not readily available for reporting at lines 32 through 35 it is requested that estimated final completion costs be shown. Designate if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, at line 32 with appropriate footnote, and costs of Underground Conduit at line 33.
3. If design voltage differs from operating voltage indicate such fact by footnotes; also where line is other than 60 cycle, 3 phase indicate such other characteristic.

Line No.					
	Line designation:	xxxx	xxxx	xxxx	xxxx
21	From				
22	To				
23	Line length in miles				
	Supporting structure:	xxxx	xxxx	xxxx	xxxx
24	Type				
25	Average number per mile				
	Circuits per structure:	xxxx	xxxx	xxxx	xxxx
26	Present				
27	Ultimate				
	Conductors:	xxxx	xxxx	xxxx	xxxx
28	Size				
29	Material				
30	Configuration and spacing				
31	Voltage - kv (operating)				
	Line Cost (omit cents):	xxxx	xxxx	xxxx	xxxx
32	Land and land rights	$	$	$	$
33	Poles, towers, and fixtures ..				
34	Conductors and devices				
35	Total				

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Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31 , 1975

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, and interchanged during the year.

Line No.	Item (a)	Kilowatt-hours (b)
	SOURCES OF ENERGY	
	Generation (excluding station use):	
1	Steam	
2	Nuclear	2,116,576,000
3	Hydro	23,890,395,000
4	Other (specify)	
5	Total generation	26,006,971,000
6	Purchases	
7	In (gross) Kwh	
8	*Interchanges Out (gross) Kwh	
9	Net	
10	Received Kwh	
11	*Transmission for/by others (wheeling) Delivered Kwh	
12	Net	
13	Total	26,006,971,000
	DISPOSITION OF ENERGY	
14	Sales to ultimate consumers (including interdepartmental sales)	4,218,273,000
15	Sales for resale	21,705,728,000
16	Energy furnished without charge	5,033,000
	Energy used by the utility (excluding station use):	
17	Electric department only (use by other departments should be accounted for as sales)	
18	Energy losses: Transmission and conversion losses	
19	Distribution losses	
20	Unaccounted for losses	
21	Total energy losses	77,937,000 *
22	(..... percent of total energy generated, purchased and interchanged)	26,006,971,000
23	TOTAL	

*Submit an explanatory statement of any interchange, transmission, or wheeling transaction, giving name of other party and amount of compensation for the service to or by the respondent.

* This does not include pumping losses at Gilboa Project.

DESIGNATION		VOLTAGE	TYPE	LENGTH (CIRCUIT MILES)			
FROM (a)	TO (b)	IN KV (c)	SUPPORTING STRUCTURE (d)	ON STRUCTURES OF LINE DESIGNATED (e)	ON STRUCTURES OF ANOTHER LINE (f)	NUMBER OF CIRCUITS (g)	SIZE O CONDUCT MATERI (h)
NIAGARA SYSTEM							
Niagara Switchyard	Rochester Station 80	345	Tower	140.4		2	(A)
Rochester Sta. 80	Clay Station	345	Tower	78.6		1	(A)
Rochester Sta. 80	Pannell Road Sta.	345	Tower	17.0		1	(A)
Pannell Road Sta.	Clay Station	345	Tower	61.6		1	(A)
Clay	Edic. Station	345	Tower	100.2		2	(A)
Niagara Switchyard	Tower NB-7	230	(D)	1.4		1	(B)
Tower NB-7	Tower 1-15	230	Tower	0.1		1	(B)
Tower 1-15	Intnl. Boundary	230	(D)		2.4	1	(B)
BLENHEIM-GILBOA SYSTEM							
Gilboa Switchyard	Fraser	345	Tower	33.9		1	(F)
Gilboa Switchyard	New Scotland	345	Tower	31.8		1	(F)
FITZPATRICK SYSTEM							
FitzPatrick Switchyard	Edic Station	345	Tower	68.3		1	(G)
FitzPatrick Switchyard	Nine Mile Point Station	345	Tower	0.5		1	(G)

All Conductor A.C.S.R. unless otherwise specified

*Low pressure oil submarine cable
CE - Copper Expanded
CW - Copperweld
CU - Copper
AL - Aluminum

Notes:
(A) Two bundled 795 MCM 26/7 ACSR conductors per phase.
(B) Single 1158.4 MCM ACSR conductor per phase.
(C) Circuit from tower 1-15 to International Boundary on double-circuit towers owned by Niagara Mohawk Power Corporation, with a Niagara Mohawk Circuit.
(D) Double-Circuit tower.
(E) Submarine Cables operated in parallel.
(F) Two bundled 954 MCM, 54/7 ACSR conductor per phase.
(G) Two bundled 1113 MCM, 54/19 ACSR conductors per phase

ANNUAL REPORT POWER AUTHORITY OF THE STATE OF NEW YORK YEAR ENDED 12/31/75
F.P.C. FORM # 1 M — TRANSMISSION LINE STATISTICS

DESIGNATION FROM (a)	TO (b)	VOLTAGE IN KV (c)	SUPPORTING STRUCTURE (d)	LENGTH (CIRCUIT MILES) ON STRUCTURES OF LINE DESIGNATED (e)	LENGTH (CIRCUIT MILES) ON STRUCTURES OF ANOTHER LINE (f)	NUMBER OF CIRCUITS (g)	SIZE OF CONDUCTOR MATERIAL (h)
ST. LAWRENCE SYSTEM							
Moses Switchyard	Int'nl Bdy	230	Tower		0.65	1	795
				.25			795
(L33P)	(2.04 MI)			1.14			636
Moses Switchyard	Adirondack S.S.	230	Tower	8.19		1	795
			W. H. Frame	77.27			500 CE
(Adir. #1)	(85.89 MI)		Tower	0.35			795
			Tower	0.08			795 AL
Moses Switchyard	Adirondack S. S.	230	Tower		8.19	1	795
			W. H. Frame	77.27			500 CE
(Adir. #2)	(85.89 MI)		Tower	0.35			795
			Tower	0.08			795 AL
Moses Switchyard	Plattsburgh S. S.	230	Tower	0.65		1	795
(Platts. Line)	(70.80 MI)		Tower	1.14			795
			W. H. Frame	69.01			795
Moses Switchyard (Alcoa Lines)	Tower D-5	115	Tower	0.85		1	954
Moses Switchyard (Alcoa Lines)	Tower 5-1	115	Tower	0.85		1	954
Moses Switchyard	Reynolds S. S.	115	Tower	2.11		1	795
(Reynolds Line)	(4.34 MI)		W. H. Frame	2.23			
Moses Switchyard	Reynolds S.S.	115	Tower		2.11	1	795
(Reynolds Line)	(4.34 MI)		W. H. Frame	2.23			
Moses Switchyard	Reynolds S. S.	115	Tower	2.11		1	795
(Reynolds Line)	(4.34 MI)		W. H. Frame	2.23			
Plattsburgh S. S.	Vt. St. Line	115	W. H. Frame	7.50		1	954
	(9.17 MI)	115	E Sub. Cable	1.63			500 CU
			Sub. Cable	1.67			1,000 CU
Plattsburgh S. S.	Saranac S. S.	115	W. H. Frame	3.65			477
	(8.42 MI)		W. H. Frame	4.29			4/0 CW
			W. H. Frame	0.48			477
Plattsburgh S. S.	Platts. A.F. Base	46	Tower	6.36		1	2/0
Moses Switchyard (Aloca Line)	Tower D-5	115	Tower		0.85	1	954

Annual report of POWER AUTHORITY OF THE STATE OF NEW YORK Year ended DECEMBER 31,19 75

ATTESTATION

The foregoing report must be attested by an authorized officer of the reporting utility.

GEORGE T. BERRY certifies
(Insert here the name of the attester)

that he is GENERAL MANAGER AND CHIEF ENGINEER
(Insert here the official title of the attester)

of POWER AUTHORITY OF THE STATE OF NEW YORK
(Insert here the exact legal title or name of respondent)

that he has examined this report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period -

JANUARY 1, 1975, to and including DECEMBER 31, 1975.

George T. Berry
(Signature of attester)

NEW GENERATING PLANTS SCHEDULED FOR OR UNDER CONSTRUCTION

PLANT NAME AND LOCATION	TYPE	INSTALLED CAPACITY KV		ESTIMATED DATES OF CONSTRUCTION	
		INITIAL	ULTIMATE	START	COMPLETION
Indian Point #3 Buchanan, N.Y.	Nuclear	873,000	1,033,000	8/69	June 1976
Astoria #6 Queens, N.Y.	Steam	787,000	787,000	1/1/71	September 1976
Pumped Storage 2	Pumped Storage	1,000,000	1,000,000	4/78	May 1982
MTA Fossil * Arthur Kill, NY	Steam	700,000	700,000	4/78	September 1982
Greene County Nuclear * Power Plant Cementon, NY	Nuclear	1,200,000	1,200,000	7/78	September 1984

* The identified site represents the preferred site presented in Article VIII proceedings before the New York State Public Service Commission.

ENCLOSURE NO. 2

FPC Form No. 12 Enclosure No. 2

POWER SYSTEM STATEMENT

For the Year Ended December 31, 1975

MADE BY

POWER AUTHORITY OF THE STATE OF NEW YORK
(Full legal name of respondent)

10 COLUMBUS CIRCLE, NEW YORK, NEW YORK 10019
(Address)

COVERING

POWER AUTHORITY
(Common designation of system)

TO THE

FEDERAL POWER COMMISSION

The following is an excerpt from the Commission's regulations prescribing the filing of Power System Statements for Electric Utilities, Licensees, and Others.

Part 141—Statements and Reports (Schedules)

* * * * *

§ 141.51 Form No. 12, Power system statements for Class I and II systems and for Class IV and V systems where requested.

(a) The revised FPC Form No. 12 Power System Statement (Class I, II, IV and V Systems), including the revised instructions and schedules therein contained, be and the same hereby is approved and adopted.

(b) Each corporation, person, agency, authority or other legal entity or instrumentality, whether public or private, which operates facilities for the generation or transmission, or distribution of electric energy, and which is in the classification of Class I or Class II Systems or is in the classification of Class IV or V Systems, where Form No. 12 is requested (as such classes are defined in the accompanying revised FPC Form No. 12), shall hereafter annually prepare and file with the Commission on or before the 1st of May of 1956, and each year thereafter, such statement or statements, and in such form as is required by said instructions and schedules, setting forth the answers to the questions therein stated, and furnishing the information therein called for, for the preceding calendar year.

* * * * *

The revised form was prescribed by the Commission by Order No. 183, issued January 14, 1956 (15 FPC 790) and amended by Order No. 224, issued Sept. 15, 1960 (24 FPC 460) and Order No. 312, issued December 20, 1965. Statutory authority for the Commission's action is granted by the Federal Power Act, as amended (49 Stat. 838; 16 U.S.C. 791a–825r) and particularly Sections 4(a), 301(a), 302(b), 303, 304, 309 and 311 (49 Stat. 839, 854, 855, 858, 859; 16 U.S.C. 797(a), 825(a), 825a(b), 825b, 825c, 825h, 825j).

DEFINITIONS

1. "Person," as hereinafter used, means a corporation or person, as defined in section 3 of the Federal Power Act, agency, authority, or other legal entity or instrumentality, whether public or private, including a municipality as defined in said section 3.

2. "System," as hereinafter used, means all physically connected electric generating and/or transmission and/or distribution facilities operated as a unit under one control, management, or operating supervision by one or more persons.

3. "Respondent," as hereinafter used, means the person or persons upon whose behalf a power system statement is filed.

4. The "net energy for system" (entered on line 7 of schedule 9) is the sum of system net generation and energy received from others less the energy delivered to others for resale.

5. The "capability" of a generating plant is defined as its load-carrying ability at the specified power factor and indicated time interval independent of the other characteristics of the load.

In general, a plant's capability is determined by design characteristics; physical condition; adequacy of the prime mover, prime mover steam supply; operational limitations, such as cooling and circulating water supply and temperature, ambient temperature; and head and tailwater elevations.

6. The "dependable capacity" of a generating plant or groups of plants is defined as the load-carrying ability for the time interval and period specified when related to the characteristics of the load to be supplied.

In general, a plant's dependable capacity is influenced not only by factors affecting its capability, but by such factors as the duration of the system peak, position on the load curve where the plant is to be operated, and the plant's operating power factor.

7. "Demand interval" is the period of time over which the demand is measured. Each system shall report load data on the basis of integrated demands for 60-minute clock-hour intervals. Where demand data are not available on this basis, it is desired that adjustments be made to approximate the integrated demand for 60-minute-clock-hour intervals and explained in footnotes. Where such adjustment cannot be made, demand data should be furnished in the form available and explained in footnotes.

8. The terms "hydro" and "hydroelectric" for purposes of this statement refer to conventional hydroelectric plants.

GENERAL INSTRUCTIONS

Statements concerning the operation of electric power systems as required by the Commission's order, shown on page 1, should be prepared and filed in conformity with the following requirements, unless otherwise directed by the Regional Office of the Federal Power Commission:

1. Where a person operates a system and only one system, one statement should be filed for that system.

2. Where a person operates more than one system, separate statements should be filed for each system so operated.

3. Where more than one person operates a system, either a consolidated statement should be filed upon behalf of all, or separate statements should be filed by each, as directed by the Regional Office of the Federal Power Commission.

4. Where several systems, filing separate reports, are operated under some form of power pool operation or common dispatching, a supplementary power system statement on F. P. C. Form No. 12 covering the pool operations should also be filed, including a brief statement describing the method of operation under the power pool arrangement.

5. Scope of the statement:

Basis of Classification	Class of System	Scope of Statement
Systems which generate all or part of system requirements and, whose net energy for system for the year covered by this statement was—		
More than 100,000, megawatt-hours	I	Form No. 12 complete.
20,000, to 100,000, megawatt-hours	II	Form No. 12 complete, excepting schedule 15.
5,000, to 20,000, megawatt-hours	III	Form No. 12-A.
Less than 5,000,000 kilowatt-hours	III	Form No. 12-D.
Systems engaged primarily in sales for resale and/or sales to industrials, all other sales being negligible	IV	Form No. 12-A unless Form No. 12 or No. 12-D is requested.
Systems which obtain entire energy requirements from other systems	V	

6. Six signed copies of the completed statement, including the original if the report is typewritten, shall be returned to the Regional Office of the Federal Power Commission at the address shown on the front of the cover supplied by the Commission.

7. All communications concerning this statement and all requests for extra copies of individual pages should be addressed to the Regional Office of the Commission. Additional covers or copies of the complete form may be obtained from the Federal Power Commission, Washington, D. C., at 75 cents per copy.*

8. Entries on this form may be made by typewriter, with pen and ink, or by any suitable method to facilitate reproduction, provided the entries are legible and in proper alignment.

9. Before the statement is prepared in final form for return to the Commission, all figures on the working copy should be checked for mathematical accuracy and for consistency, where the same figures appear in more than one schedule in this or in other statements or reports submitted to the Federal Power Commission. Any apparent inconsistency should be explained.

10. No deviation from these instructions should be undertaken without the approval of the Regional Office of the Federal Power Commission.

11. Insert the word "none" where it is a true and complete answer to any particular inquiry. Insert the words "not applicable" in those schedules or parts of schedules which do not apply to the respondent's system.

12. Where exact data are not available, report estimated data and designate such entries by the abbreviation "Est."

13. All information shall be furnished for the calendar year.

14. All information is to be furnished for the system as it existed at the end of the year. In the event part of the system was acquired by the respondent during the calendar year, the respondent should report this part for the entire year, obtaining the necessary information from the records of the previous owners. In the event part of the system was disposed of during the calendar year and the respondent was not operating that part at the end of the year, the respondent should not report on this part at all.

* One megawatt-hour equals 1,000 kilowatt-hours.

POWER SYSTEM STATEMENT FOR THE CALENDAR YEAR 1975
General Information

1. Statement covering facilities for generation and/or transmission and/or distribution of electric energy of the

Power Authority of the State of New York
(Full legal name of respondent) (Common designation of system)

2. Located in the State(s) of New York

3. Prepared and filed by Power Authority of the State of New York
(Full legal name of company or agency)

10 Columbus Circle, New York, New York 10019
(Full address)

4. Name, title, address, and telephone number of official to whom correspondence concerning this statement should be addressed

(Name)	(Title)	(Address)	(Tel. No.)
Edward J. Brown	Principal Economist	10 Columbus Circle	(212) 397-6230

5. Name and address of top holding company

6. (Check where applicable)

☒ A. Respondent operates only one system.

☐ B. Respondent operates the other systems listed below. (Indicate by an asterisk those systems for which power system statements are not being filed for the year of this report).

Designation of System	Location

☐ C. This is a consolidated statement filed in accordance with general instruction 3 on behalf of the following companies. (If all of a company's systems are not included, state what systems are excluded and their location.)

Legal Name and Address	Systems Not Included

7. Respondent is a party to the supplementary power system statement designated as filed in accordance with general instruction 4.

8. List all subsidiaries of system companies other than those listed in item 6-C above, and state the nature of their business.

Legal Name and Address	Nature of Business

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 1

CAPACITY AND OUTPUT OF SYSTEM GENERATING PLANTS

INSTRUCTIONS

1. Plants should be grouped according to type and subtotals should be shown for each type in columns 4 through 11. If any plant is equipped with combinations of hydro, pumped storage, steam, internal-combustion engine, and gas-turbine units, each kind should be listed as though it were a separate plant. Nuclear plants should be included in the steam group, but it should be indicated in column 1 or in footnote that they are nuclear plants.

2. If the facilities of more than one company are included in this statement, give the name of the company operating each of the listed plants at the end of the year, in column 1. These entries may be made in the form of symbols referenced to the list of companies in item 6-C, page 3. If a plant is leased, also give name of the lessor.

3. Designate with an asterisk those plants which were constructed, purchased, or leased and placed in operation during the year; also, plants in which major alterations were made during the year such as the installation or removal of generating or boiler units or other significant changes. The dates on which new plants were placed in operation or the dates on which significant changes were completed should be given in column 1 or in footnotes.

4. Plants now undergoing alterations should be noted with a double asterisk.

5. At the bottom of the page in column 1, list all plants which were dismantled or removed from service during the year and give the dates such changes were made. Omit the capacity of such plants in columns 4 and 5, but give the data called for in other columns where applicable.

6. In column 1 give the name of each system plant; and in column 2 the name of the community (or nearest community) and State in which each plant is located.

7. A power factor of 0.8 should be used to determine the kilowatt capacity of those units which are rated in megavolt-amperes only.

8. Figures in column 4 should be based upon the rating at maximum pressure shown on nameplate for units with hydrogen cooling.

9. In column 5 give the installed capacity of auxiliary or "house" generating units.

10. In column 6, show the megawatt-hour output of all main generating units and all auxiliary generating units in each plant.

(Instructions continued on next page)

	Name of Plant and of Company Operating Plant (Group plants according to type and show subtotals for each)	Location of Plant (Nearest community and State)	Type of Plant (Hydro, pumped storage, steam, i.c. engine, gas turbine)	Installed generating capacity in new at end of year—manufacturer's maximum nameplate rating of generator	
				Total of main generating units	Total of auxiliary or house units
	(1)	(2)	(3)	(4)	(5)
1					
2					
3	Robert Moses Niagara	Lewiston, New York	H	1,950	0
4					
5					
6					
7	Robert Moses Power Dam	Massena, New York	H	912	0
8					
9					
10	Subtotal (Hydro)			2,862	
11					
12					
13	Lewiston Reservoir	Lewiston, New York	PS	240	0
14	Pump Generating Plant				
15					
16					
17	Blenheim-Gilboa Pumped	Blenheim-Gilboa	PS	1,000	0
18	Storage Generating Plant	New York			
19					
20	Subtotal (Pumped Storage)			1,240	
21					
22					
23	FitzPatrick	Oswego, New York	N	410	0
24					
25	Subtotal (Nuclear)			410	
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36	System Totals	xxxxxxxxxxxxxxxx	xxxxx	4,512	

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1973

Schedule 1—Continued

CAPACITY AND OUTPUT OF SYSTEM GENERATING PLANTS

INSTRUCTIONS—Continued

11. In column 7, show the total amount of energy consumed during the year, for plant light and power and for plant auxiliaries. Energy for synchronous condenser operation in the plant may also be included in column 7 as plant use if it is so treated in respondent's records; otherwise include in Item E of Schedule 9. For pumped storage plants, report under column 7, item (a) normal auxiliary use and under item (b) energy used for pumping. Pumping energy is that energy measured as input to the plant for pumping purposes.

12. In column 8, net generation should be the difference between gross generation, column 6, and plant use, and energy used for pumping, column 7. Where net generation entries are minus quantities, they should be so noted.

13. In column 9, give the total installed capacity of generating units which were carrying load or operating as spinning reserve, in each plant, at the time of system peak load of the year as shown in column 10, Schedule 14.

14. In column 10, give the net plant capability of each generating plant at the time of the system peak load of the year as shown in column 10, Schedule 14, whether or not it was carrying load or was maintained as reserve at that time. Include the capacity of equipment which was out of service for maintenance or repair at that time, and exclude the capacity of equipment not maintained in condition to operate for regular or emergency service. Net plant capability, as reported in column 10, should be the maximum load-carrying capacity normally available at time of system peak (station use deducted) for a period of one hour. For definition of plant capability see definition No. 5, page 2.

15. In column 10, designate whether a plant was used for base load, peaking, or standby service (at the time of the system peak) by inserting after each figure for capability "b," "p," or "s," or any appropriate combinations thereof.

16. In column 11, give the integrated megawatt demand (net) on each generating plant for the interval during which the system peak load of the year occurred, consistent with the time interval used by the respondent in reporting on Schedules 13 and 14. See definition No. 7, page 2.

17. Estimates (noted "Est.") for columns 6, 7, 8, and 11 should be furnished if measured quantities are not available.

Megawatt-hours During the Year			Megawatts (At the time of the system peak load of the year shown in col. 10, Schedule 14) Date 1/3 Time 7 PM Demand Interval 30 Min		
Gross generation (6)	Plant use (7)	Net generation (col. 6 minus col. 7) (8)	Installed capacity connected to load (9)	Net plant capability (10)	Net demand on plant (11)
17,388,575 *	14,187	17,374,388	2,030 /c (nameplate)	2,534	2,326
7,320,451 **	12,783	7,307,668	912	846	839
24,709,026	26,970	24,682,056	(nameplate)		
361,043	10,699/a 599,168/b	-248,824			
1,226,612	10,863/a 1,758,586/b	-542,837	1,000 (nameplate)	1,100	1,000
1,587,655	2,379,316	-791,661	1,000	1,100	1,000
2,224,446	107,870	2,116,576	410	0 ***	0 ***
		(See explanatory notes, page 5A)			
28,521,127	2,514,156	26,006,971	4,352	4,480	4,165

FPC FORM 12

Schedule 1

NOTES

*Includes 47,339 MWH of generation in the Ontario Hydro Niagara River Plants using water assigned to the Power Authority, and excludes 423,130 MWH generation in the Robert Moses Niagara Plant using water assigned to Ontario Hydro.

**Includes 2,120 MWH generated in Ontario Hydro units using water assigned to the Power Authority, and excludes 13,440 MWH generated in the Robert Moses Power Dam using water assigned to Ontario Hydro.

***FitzPatrick Plant was not in commercial operation at the time of system peak.

/a Auxil

/b Pumping

/c Inc. pumped storage capacity auxil to Robert Moses Niagara Power Plant

Power System Statement of NEW YORK STATE POWER AUTHORITY

Schedule 2

SYSTEM HYDROELECTRIC DATA

A. AGGREGATE DEPENDABLE HYDROELECTRIC CAPACITY AND POTENTIAL ENERGY.
This schedule need not be completed if there have been no changes affecting the data previously reported. In such case the following notation should be made at the bottom of the page: "Data reported on FPC Form 12 for the year 19..., correct as of December 31 of the year herein reported." *Furnish data indicated below in accordance with the instructions in paragraphs 1-5, page 7.*

ADVERSE FLOW CONDITIONS*

Month	PLANNED USE OF STREAM FLOW AND STORAGE Energy (Megawatt-hours)					MACHINE CAPABILITY (Megawatts)		Dependable Capacity (Megawatts)
	Storage Plants		Run-of-River Plants	Total Available (Col. 2 plus col. 3 plus col. 4)	In Storage End of Month[2]	Run-of-River Plants	Storage Plants	
	Natural flow	Storage[1]						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dec.	XXXX	XXXX	XXXX	XXXX		XXXX	XXXX	XXXX
Jan.			1,360			3407	1148	4200
Feb.			1,209			3398	1148	4200
Mar.			1,447			3384	1148	4200
April			1,221			3301	1148	4200
May			1,314	Same as		3301	1148	4200
June			1,274	Col. (4)		3325	1148	4200
July			1,286			3343	1148	4200
Aug.			1,277			3352	1148	4200
Sept.			1,231			3348	1148	4200
Oct.			1,228			3335	1148	4200
Nov.			1,418			3325	1148	4200
Dec.			1,487			3437	1148	4200
Year			15,752		XXXX	XXXX	XXXX	XXXX

AVERAGE OR MEDIAN FLOW CONDITIONS*

Month	PLANNED USE OF STREAM FLOW AND STORAGE Energy (Megawatt-hours)					MACHINE CAPABILITY (Megawatts)		Dependable Capacity (Megawatts)
	Storage Plants		Run-of-River Plants	Total Available (Col. 2 plus col. 3 plus col. 4)	In Storage End of Month[2]	Run-of-River Plants	Storage Plants	
	Natural flow	Storage[1]						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Dec.	XXXX	XXXX	XXXX	XXXX		XXXX	XXXX	XXXX
Jan			1,660			3430	1148	4200
Feb.			1,514			3452	1148	4200
Mar.			1,746			3466	1148	4200
April			1,557			3457	1148	4200
May			1,701			3472	1148	4200
June			1,662	Same as		3474	1148	4200
July			1,715	Col. (4)		3490	1148	4200
Aug.			1,687			3492	1148	4200
Sept.			1,598			3484	1148	4200
Oct.			1,614			3464	1148	4200
Nov.			1,718			3411	1148	4200
Dec.			1,753			3476	1148	4200
Year			19,925		XXXX	XXXX	XXXX	XXXX

1 When energy is drawn from storage, show as a positive quantity. When energy is stored, show as a negative quantity in parentheses.
2 Change in storage based on entry in column 3.

*NOTE -- The method or basis used in determining the above data for adverse flow and average or median flow conditions should be explained in accordance with instructions 2 and 3 of this schedule.

Notes:

/1 Includes pumped storage capacity auxiliary to the Robert Moses Niagara Power Plant

/2 The Blenheim-Gilboa Pumped Storage Plant.

FPC Form 12

Schedule 2

Power Authority of the State of New York for the Year Ended Dec. 31, 197

NOTE 1

Water for power production at the Robert Moses (St. Lawrence) Power Dam is released from Lake Ontario in accordance with a general regulation program, as modified from time to time, which is approved by the International Joint Commission as currently best adapted to the accommodation of the several interests of navigation, riparian owners, power purchasers, and others affected by the level of Lake Ontario and the flow of the St. Lawrence River. Operations under the plan are supervised by an agency of the International Joint Commission with the power to make temporary adjustments in the light of immediate circumstances. The regulatory program currently in effect is designated "Plan 1958 - D". Since regulation is primarily for non-power purposes, the Robert Moses Power Dam is essentially a run-of-river plant rather than one with controlled storage.

NOTE 2

For the Robert Moses Power Dam the data in Schedule 2 for adverse flow conditions reflect operation under Regulation Plan 1958-D as applied to Lake Ontario Levels and St. Lawrence River flows which yield generating capabilities exceeded 95 percent of the time based on the period 1900 to 1973. For the Robert Moses Niagara Plant and the Lewiston Pump Generating Plant the data in Schedule 2 for adverse flow conditions reflect operation with Lake Erie outflows which are exceeded 95 percent of the tim based on the period 1900 to 1973.

NOTE 3

The data in Schedule 2 for median flow conditions were determined as described in Note 2 except the median or 50 percent exceedence frequency was selected rather than the 95 percent exceedence frequency.

Power System Statement of Power Authority of New York State for the Year Ended December 31, 1975

Schedule 4

HYDROELECTRIC PLANT DATA

For 1975, and every fifth year thereafter (1980, 1985, 1990, etc.) this entire schedule should be filled in *completely* for each conventional hydroelectric plant of 10 mega watt installed capacity or greater. Do not refer to previously reported data in reporting for every such fifth year.

For each of the intermediate years (1976-7-8-9, 1981-2-3-4, etc.) this schedule should be filled in for each such plant as referred to in the preceding paragraph:

(a) Which was constructed, purchased, or leased and placed in operation by the respondent during the year; or
(b) Which was altered during the year—i.e., water wheels, generators, or other equipment installed, remodeled, removed from service, or otherwise changed; or
(c) Whose capability was modified as a result of changes during the year in dams, spillways, or other structures of the project, or in available storage at or above the site; or
(d) Which was not previously reported.

Enumerate those plants in which no changes occurred which affect *any* of the data last reported under this schedule and make the following notation for each, "Data for this plant last reported in FPC Form No. 12, 19___, is correct as of December 31 of the herein reported year." Make this reference to such last reported data only in reporting for the intermediate years. Use addendum sheets as necessary.

(1)	Plant Name Robert Moses Power (2) Dam	
A. PLANT LOCATION		
River on which located	St. Lawrence	
State	New York	
County	St. Lawrence	
Post office	Massena, New York	
B. STATION DATA		
Total installed generator capacity—name-plate ratings (including auxiliary units)—mw [1]	912	
Net plant capability under the most favorable operating conditions—mw	916	Power Factor 95 Percent
Net plant capability under the most adverse operating conditions [2]—mw	800	
Estimated average annual potential output on basis of present installed capacity—mwh	6,400,000	
If adequate records are available, specify which year of stream flow may be used to determine both the magnitude and distribution of the average annual potential output	See notes to Sch.2	
Estimated over-all water use in c. f. s. per kilowatt and corresponding head for the following loads under headwater conditions which approximate average conditions. Give the megawatt output for each load:	C. f. s. Per Kw	Corresponding Head—Feet: Gross [4] / Net [5]
Minimum water release (megawatts - 597)	.1575	85.3 / 84.7
Maximum permissible water release (megawatts - 916)	.1692	81.6 / 81.0
Metnod of operation—automatic or remote control (A), semiautomatic (SA), manual (M)	SA	
Number of future units provided for in present plant		
Planned ultimate generating capacity—mw	912	
C. HYDRAULIC DATA		
Drainage area—square miles	300,000 sq.mi.	
Pondage or storage available at site:		
1. Area of pond at normal full pond level—acres	Run-of-river(storage based primarily on non-power considerations)	
2. Maximum draw-down from normal full pond level—feet		
3. Storage or pondage from maximum draw-down—acre-feet		
Head—in feet, with full pond and full station load:		
1. Gross head (Pond elevation minus tailwater elevation) ..... feet		
2. Effective net head (Gross head minus intake and conduit losses) ..... feet		
Elevation:		
1. Normal full pond elevation—designate datum		
2. Pond elevation used in estimating water use in lines 11, 12, and 13		
Developed storage above site (list):		
1. Location and drainage area	Run-of-river plant	
(a) Usable volume—acre-feet		
2. Location and drainage area		
(b) Usable volume—acre-feet		
3. Location and drainage area		
(c) Usable volume—acre-feet		

[1] Should agree with sum of columns 4 and 5, Schedule 1.
[2] Capability to be based on power factor condition normally to be expected at time of system peak. State power factor in space provided
[3] Give cause of limitation and time of year. Available water, April
[4] Pond elevation minus tailwater elevation with pond at normal or average elevation.
[5] Gross head minus intake and conduit losses.

Statement of Power Authority of New York State For the Year Ended December 31, 19[illegible]

HYDROELECTRIC PLANT DATA—Continued

D. INSTALLATION DATA

Name of Plant Robert Moses Power Dam Name of System Power Authority

Number of units in generating station 16 Number of auxiliary units 0 (Indicate if any of auxiliary units are reversible)

For each unit or group of identical units show the following (if necessary attach additional sheets)	All	Nos.	Nos.	Nos.		
1. Waterwheels:						
(a) Design head—feet	81					31
(b) Operating speed—revolutions per minute	94.73					32
(c) Maximum horsepower capacity at design head	80,000					33
(d) Type of runner—Francis (F), fixed propeller (F. P.), automatically adjustable propeller (A. P.), impulse[1]	FP					34
(e) Type—horizontal, vertical, or inclined	V					35
(f) Year installed[2]	1958					36
(g) Manufacturer	8 units Baldwin Lima Hamilton.	8 units	Allis-Chalmers.			37
2. Generators:						
(a) Name-plate rating in megavolt-amperes	60					38
Name-plate rating in megawatts	57					39
Name-plate rating—power factor	.95					40
(b) Continuous overload capacity in percent	15					41
(c) Voltage - in kilovolt	13.8					42
(d) Phase and frequency or d. c.	3-60					43
(e) Year installed[2]	1958					44
(f) Manufacturer	G.E.					45

E. STATION STEP-UP TRANSFORMERS

Data are to be furnished for each transformer or group, i.e., one or more banks, of identical transformers, including spares

	Group 1	Group 2	Group 3	Group 4	Group 5	
Number of identical transformers: (a) In service	2 Banks 6	2 Banks 6	Spare for both groups			46
(b) Spare			1			47
Type: If auto, specify	No	No	No			48
Phase and frequency	1-60	1-60	1-60			49
Capacity of each transformer in mva: (a) Normal rating	86	86	86			50
(b) Maximum continuous rating with forced cooling (if installed)	N.A.	N.A.	N.A.			51
Voltage, in kv.: Primary (a)	13.2/13.2	13.2/13.2	13.2/13.2			52
Secondary	230	115	115/230			53
Tertiary						54
Bank connection (Δ, Y, Y, grounded Y, or other): Primary	Delta	Delta				55
Secondary	Grd.Y	Grd.Y				56
Tertiary						57
Bank capacity, in mva.: Primary	258	258				58
Secondary	258	258				59
Tertiary						60

1. Report reversible units on schedule 4-A.
2. If not new when installed, show also by footnote the year equipment was manufactured and the year rebuilt.

(a) Two separate 13.2 KV windings and one high-voltage winding per transformer.

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Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 4

HYDROELECTRIC PLANT DATA

For 1975 and every fifth year thereafter (1980, 1985, 1990, etc.) this entire schedule should be filled in *completely* for each conventional hydroelectric plant of 10 mega watt installed capacity or greater. Do not refer to previously reported data in reporting for every such fifth year.

For each of the intermediate years (1976-7-8-9, 1981-2-3-4, etc.) this schedule should be filled in for each such plant as referred to in the preceding paragraph:

(a) Which was constructed, purchased, or leased and placed in operation by the respondent during the year; or
(b) Which was altered during the year—i.e., water wheels, generators, or other equipment installed, remodeled, removed from service, or otherwise changed; or
(c) Whose capability was modified as a result of changes during the year in dams, spillways, or other structures of the project, or in available storage at or above the site; or
(d) Which was not previously reported.

Enumerate those plants in which no changes occurred which affect any of the data last reported under this schedule and make the following notation for each: "Data for this plant last reported in FPC Form No. 12, 19____, is correct as of December 31 of the herein reported year." Make this reference to such last reported data only in reporting for the intermediate years. Use addendum sheets as necessary.

(1)	Plant Name: Robert Moses Niagara (2)	
A. PLANT LOCATION		
River on which located	Niagara	2
State	New York	3
County	Niagara	4
Post office	Niagara Falls, New York	5
B. STATION DATA		
Total installed generator capacity—name-plate ratings (including auxiliary units)—mw [1]	1,950 MW	6
Net plant capability under the most favorable operating conditions—mw	2,615* Power Factor .90 Percent [2]	7
Net plant capability under the most adverse operating conditions [3]—mw	2,400*	8
Estimated average annual potential output on basis of present installed capacity—mwh	13,400,000*	9
If adequate records are available, specify which year of stream flow may be used to determine both the magnitude and distribution of the average annual potential output	See notes to Sch.2	10
Estimated over-all water use in c. f. s. per kilowatt and corresponding head for the following loads under headwater conditions which approximate average conditions. Give the megawatt output for each load:	C. f. s. Per Kw. / Corresponding Head—Feet: Gross [4] / Net [5]	
One-half station load (megawatts 1,140)	.04227 / 313.32 / 302.07	11
Three-fourths station load (megawatts 1,700)	.04252 / 311.32 / 300.07	12
Full station load (watts 2,275)	.04327 / 309.32 / 298.07	13
Method of operation—automatic or remote control (A), semiautomatic (SA), manual (M)	SA	14
Number of future units provided for in present plant	indefinite	15
Planned ultimate generating capacity—mw	indefinite	16
C. HYDRAULIC DATA		
Drainage area—square miles	260,000 sq.mi.	17
Pondage or storage available at site:		
1. Area of pond at normal full pond level—acres		18
2. Maximum draw-down from normal full pond level—feet	Run-of-river plant	19
3. Storage or pondage from maximum draw-down—acre-feet		20
Head—in feet, with full pond and full station load:		
1. Gross head (Pond elevation minus tailwater elevation) ..... feet		21
2. Effective net head (Gross head minus intake and conduit losses) ..... feet		22
Elevation:		
1. Normal full pond elevation—designate datum		23
2. Pond elevation used in estimating water use in lines 11, 12, and 13		24
Developed storage above site (list):		
1. Location and drainage area		25
(a) Usable volume—acre-feet		26
2. Location and drainage area	Run-of-river plant	27
(b) Usable volume—acre-feet		28
3. Location and drainage area		29
(c) Usable volume—acre-feet		30

[1] Should agree with sum of columns 4 and 5, Schedule 1.
[2] Capability to be based on power factor condition normally to be expected at time of system peak. State power factor in space provided.
[3] Give cause of limitation and time of year. Available water, October
[4] Pond elevation minus tailwater elevation with pond at normal or average elevation.
[5] Gross head minus intake and conduit losses.

*Including Auxiliary Lewiston Pump-Generating Plant

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HYDROELECTRIC PLANT DATA—Continued

D. INSTALLATION DATA

Name of Plant Robert Moses - Niagara Name of System Power Authority

Number of main generating units 13 Number of auxiliary generating units 0 (Indicate below which are auxiliary units)

	1,3,5, 7,9,11 Nos. 13	2,4,6, 8,10 Nos. 12	Unit Nos.	Unit Nos.	Unit Nos.	
For each unit or group of identical units show the following (if necessary attach additional sheets):						
1. Waterwheels:						
(a) Design head—feet	300	300				31
(b) Operating speed—revolutions per minute	120 RPM	120 RPM				32
(c) Maximum horsepower capacity at design head	200,000	200,000				33
(d) Type of runner—Francis (F), fixed propeller (F. P.), automatically adjustable propeller (A. P.), impulse [1]	F	F				34
(e) Type—horizontal, vertical, or inclined	V	V				35
(f) Year installed [2]	Baldwin	Newport				36
(g) Manufacturer	Lima Hamilton	News				37
2. Generators:						
(a) Name-plate rating in megavolt-amperes	167	167				38
Name-plate rating in megawatts	150	150				39
Name-plate rating—power factor	0.9	0.9				40
(b) Continuous overload capacity in percent	15%	15%				41
(c) Voltage - in kilovolt	13.8	13.8				42
(d) Phase and frequency or d. c.	3 phase	60 cycle				43
(e) Year installed [2]	1961-2					44
(f) Manufacturer	Westinghouse					45

E. STATION STEP-UP TRANSFORMERS

Data are to be furnished for each transformer or group, i. e., one or more banks, of identical transformers, including spares

	Group 1	Group 2	Group 3	Group 4	Group 5	
Number of identical transformers: (a) In service	7	6	-			46
(b) Spare	None	None	1			47
Type: If auto, specify	2-winding					48
Phase and frequency	3-60	3-60	3-60			49
Capacity of each transformer in kva:						
(a) Normal rating	180	180	180			50
(b) Maximum continuous rating with forced cooling (if installed)	N.A.	N.A.	N.A.			51
Voltage, in kv.: Primary (L.V.)	13.2	13.2	13.2			52
Secondary (H.V.)	120	240	120/240			53
Tertiary	None	None	None			54
Bank connection (Δ, Y, Y, grounded Y, or other):						
Primary (L.V.)	Delta	Delta	Delta			55
Secondary (H.V.)	Gnd.Y	Gnd.Y	Gnd.Y			56
Tertiary						57
Bank capacity, in kva.: Primary (L.V.)	180	180	180			58
Secondary						59
Tertiary						60
Manufacturer	Ferranti	Ferranti				

1. Report reversible units on schedule 4-A.
2. If not new when installed, show also by footnote the year equipment was manufactured and the year rebuilt.

Rev. (12-75)

Power System Statement of Power Authority of New York State for the Year Ended December 31, 1975

Schedule 3-A

PUMPED STORAGE PLANT DATA [1]

For 1975 and every fifth year thereafter (1980, 1985, 1990, etc.) this entire schedule should be filled in completely for each pumped storage plant of 10 megawatts nameplate capacity or greater. Do not refer to previously reported data in reporting for every such fifth year.

For each of the intermediate years (1976-7-8-9, 1981-2-3-4, etc.) this schedule should be filled in for each such plant as referred to in the preceding paragraphs:

(a) Which was constructed, purchased, or leased and placed in operation by the respondent during the year; or
(b) Which was altered during the year--i.e., water wheels, generators, or other equipment installed, remodeled, removed from service, or otherwise changed; or
(c) Whose capability was modified as a result of changes during the year in dams, spillways, or other structures of the project, or in available storage at or above the site; or
(d) Which was not previously reported.

As an alternate those plants for which no changes occurred which affect any of the data last reported under this schedule and make the following notation for each: "Data for this plant last reported in FPC Form No. 12, 19--, is correct as of December 31 of the herein reported year." Make this reference to such last reported data only in reporting for the intermediate years. Use addendum sheets as necessary.

(1)	Plant Name: Blenheim-Gilboa (2)	
A. PLANT LOCATION		
River on which located	Schoharie Creek	
State	New York	
County	Schoharie	
Post office	Grand Gorge, New York	
B. STATION DATA		
Total installed generator capacity—name-plate ratings (including auxiliary units)—mw [2]	1,000	
	Power Factor 99 Percent [3]	
Net plant capability at maximum head—mw	1,148	
Net plant capability at minimum head—mw	1,026	
Estimated average annual generation—mwh	1,200,000	
Estimated average annual pumping energy—mwh	1,715,000	
Method of operation—automatic or remote control (A), semiautomatic (SA), manual (M)	M	
Number of future units provided for in present plant	none	
Planned ultimate generating capacity—mw	1,000	
Estimated over-all water use in c.f.s. per kilowatt and corresponding head for the following loads under headwater conditions which approximate average conditions. Give the kilowatt output for each load:	Maximum Head	Minimum Head
One-half station load (megawatts 500) c.f.s. Per kw	.0120	.0134
Three-fourths station load (megawatts 750) c.f.s. Per kw	.0120	.0134
Full station load (megawatts 1,000) c.f.s. Per kw	.0120	.0134
Overall conversion efficiency—mwh output ÷ mwh input	0.70	0.70
Full station load pumping-megawatts	1104	1200
C. HYDRAULIC DATA		
	Upper Pond	Lower Pond
Pondage or storage available at site:		
1. Area of pond at normal full pond level—acres	390	420
2. Maximum draw-down from normal full pond level—feet	48	40
3. Storage or pondage from maximum draw-down-acre—feet	15,000	12,700
Elevation:		
1. Normal full pond elevation—designate datum USGS	2003	860
Head—in feet, with full station load: (gen. cycle)	Maximum Head	Minimum Head
1. Gross head (Upper pond elevation minus lower pond elevation) feet	1143	1055
2. Effective net head (Gross head minus intake and conduit losses) feet	1088	1001
Storage in upper pool:		
1. megawatt hours	12,000	
2. Hour use of net plant capability	12	
Pump starting method Direct Connected Starting Motor on each Unit		

[1] Complete this schedule for pure pumped storage plants. For plants with both conventional and pumped storage facilities report only the pumping cycle data that are not reported on schedule 4.
[2] Should agree with sum of columns 4 and 5, Schedule 1.
[3] Capability to be based on power factor condition normally to be expected at time of system peak. State power factor in space provided.

Power System Statement of New York State Power Authority for the Year Ended December 31, 1975

PUMPED STORAGE PLANT DATA—Continued

D. INSTALLATION DATA

Name of Plant Blenheim-Gilboa Name of System Power Authority

Number of main generating units ..... Number of auxiliary generating units ..... (Indicate below which are auxiliary units)

	Unit Nos. 1-4	Unit Nos.	Unit Nos.	Unit Nos.	Unit Nos.	
For each unit or group of identical units show the following (if necessary attach additional sheets):						
1. Waterwheels of Hydraulic Turbine/Pumps						
(a) Design head—feet	1,089					28
(b) Operating speed—as turbine—rpm	257					29
(c) Operating speed—as pump—rpm	257					30
(d) Maximum horsepower capacity at design head	350,000	at 1002 ft. head				31
(e) Type of runner—Francis (F), fixed propeller (F.P.), automatically adjustable propeller (A.P.), impulse (I), tubular (T)	Francis					
(f) Type—horizontal or vertical or inclined	Vertical					32
(g) Year installed [1]	1973					33
(h) Manufacturer	Hitachi					34
2. Generators or Generator/Motors						35
(a) Name-plate rating in megavolt-amperes—Generator	278					
(b) Name-plate rating in megavolt-amperes—Motor	272					36
(c) Name-plate rating in megawatts—Generator	250					37
(d) Name-plate rating-power factor—Generator	.90					38
(e) Name-plate rating in horsepower—Motor	365,000					39
(f) Voltage- in kilovolts	17.0					40
(g) Phase and frequency or d.c.	3-60 cycle					41
(h) Year installed [1]	1973					42
(i) Manufacturer	Hitachi					43
3. Separate motor-driven pumps						44
(a) Name-plate rating in horsepower						
(b) Name-plate rating in megavolt-amperes						45
(c) Phase and frequency or d.c.						46
(d) Operating speed—rpm						47
(e) Type of pump						48
(f) Year installed [1]						49
(g) Manufacturer						50
						51

E. STATION STEP-UP TRANSFORMERS

Data are to be furnished for each transformer or group, i.e., one or more banks, of identical transformers, including spares

	Group 1	Group 2	Group 3	Group 4	Group 5	
Number of identical transformers: (a) In service	4					52
(b) Spare	1					53
Type: If auto, specify	No					54
Phase and frequency	3-60					55
Continuous capacity of each bank (with forced cooling if installed)						
Bank capacity, in mva. Primary	285					
Secondary	285					56
Tertiary						57
Voltage, in k.v. Primary	16.2					58
Secondary	345.					59
Tertiary						60
						61

[1] If not new when installed, show also by footnote the year equipment was manufactured and the year rebuilt.

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Schedule 5

STEAM-ELECTRIC, INCLUDING NUCLEAR, PLANT DATA

For 1975 and every fifth year thereafter (1980, 1985, 1990, etc.) this entire schedule should be filled in completely for each steam-electric (including nuclear) plant of 25 megawatt installed capacity or greater. Do not refer to previously reported data in reporting for any such fifth year.

For each of the intermediate years (1976, 1977, 1978, 1979, 1981-2-3-4, etc.) this schedule should be filled in for each such plant as referred to in the preceding paragraph:

(a) Which was constructed, purchased, or leased and placed in operation by the respondent during the year, or

(b) Which was altered during the year—i.e., generators, boiler units, or other equipment installed, remodeled, removed from service, or otherwise changed, or

(c) Whose capability was modified as a result of plant changes during the year, or

(d) Which was not previously reported.

Designate those plants in which no changes occurred which affect any of the data reported under this schedule and make the following notation for each: "Data for this plant last reported in FPC Form No. 12, 19___ is correct as of December 31, of the herein stated year." Make this reference to such last reported data only in reporting for the intermediate years. Use addendum sheets as necessary.

(1)	Plant Name: R. A. FitzPatrick (2)
A. PLANT LOCATION	
New York	
Oswego	
Scriba	
Post Office	
B. STATION DATA	
Total installed generator capacity—maximum name-plate ratings (including auxiliary units)—mw[1]	883
Number and capacity of future units provided for in present plant	NA
Planned ultimate generating capacity-megawatts	883
Source of condenser water supply and type of cooling	Lake Ontario
Minimum available condenser water in c. f. s.	785.75
Give the duration of the period and the time of the year when plant capability is normally limited by condenser water or ambient temperature	changes with Lake Water Temperature
Fuel consumption in Btu per kilowatt-hour of net station output. Assume the most efficient combination of units (for ½ and ¾ load) and give the megawatt output for each load:	
(a) At one-half station load (megawatts)	10409
(b) At three-fourths station load (megawatts)	10167
(c) At full station load (megawatts)	10178 @ 40°F Lake Water
State whether steam produced at this plant is sold or supplied to other departments or to industrial companies	Not applicable steam used for Power Generation
If coal is used, from what State is it procured	Not applicable since nuclear reactor
B. t. u. content of fuel as fired:	
Coal (Btu per pound)	
Oil (Btu per gallon)	
Gas (Btu per cubic foot)	

C. PLANT NET CAPABILITY UNDER SPECIFIED CONDITIONS

	With All Equipment in Service (Megawatts) Power Factor[1] Percent	With Largest Generating Unit Out of Service (Megawatts) Power Factor[1] Percent	With Largest Boiler Unit Out of Service (Megawatts) Power Factor[1] Percent
Net plant capability (excluding plant use):			
1. When NOT limited by condenser water or ambient temperature:			
For loads of:			
(a) One-hour duration			
(b) Two-hour duration			
(c) Continuous duration Rated	846 at 40°F Lake Water	0	N/A
2. During periods when *limited* by condenser water or ambient temperature:			
For loads of:			
(a) One-hour duration			
(b) Two-hour duration			
(c) Continuous duration Rated	820 @80° at Lake Water	0	N/A

[1] Should agree with sum of columns 4 and 5, Schedule 1.
[2] Capability to be based on power factor condition normally to be expected at time of system peak. State power factor in space provided.

Power System Statement of POWER AUTHORITY OF THE STATE OF NEW YORK for the Year Ended December 31, 1975

STEAM-ELECTRIC, INCLUDING NUCLEAR, PLANT DATA—Continued
D. INSTALLATION DATA

Name of plant James A. FitzPatrick Name of System Power Authority

Number of main generating units ..... Number of auxiliary generating units ..... (Indicate below which are auxiliary units)

For each unit or group of identical units show the following (if necessary attach additional sheets):	Unit Nos.	Unit Nos.	Unit Nos.	Unit Nos.	Unit Nos.	
Generator Data:						
Manufacturers maximum nameplate rating in megawatts. Hydrogen pressure—psi gage At 60 psi	883					25
Manufacturers minimum nameplate rating in megawatts Hydrogen pressure—psi gage	-					27
Manufacturers nameplate—power factor	0.9					28
Generator coolant—Air (A), Hydrogen (H), Liquid (L)	Hydrogen					30
Generator voltage in kilovolts	24000					31
Generator phase and frequency	3 ph 60HZ					32
Manufacturer General Electric	GE					33
Turbine Data:						
Turbine nameplate rating—mw	850					34
Single casing, tandem compound, cross compound, etc	Tandem compound					35
Operating speed—revolutions per minute	1800 psig					37
Throttle pressure—psi gage	540°F					38
Throttle temperature—degrees F	514°F					39
Reheat temperature, if applicable—degrees F	1.5 Hg					40
Exhaust pressure—psi gage or inches of mercury	12.387 lbs/kwh					41
Full load steam rate in pounds per kilowatt-hour	10178@ 40°F for Lake water					42
Full load heat rate in Btu per kilowatt-hour rated	GE					43
Manufacturer	1972-73					44
Year installed[1]						
Turbine-Generator Data:						
Maximum gross capability in megawatts	846					45
Hydrogen pressure—psi gage	60					46

Give for each boiler or group of identical boilers the following:	Boiler Nos.	Boiler Nos.	Boiler Nos.	Boiler Nos.	Boiler Nos.	
Steam pressure—psi gage	REACTOR					47
Maximum continuous steaming capacity-1000 lbs. per hr.						48
Kind of fuel (coal, gas, oil, etc.)	Nuclear Fuel					49
Method of firing	-					50
Year installed	1971-73					51
Manufacturer	GE					52

E. STATION STEP-UP TRANSFORMERS

Data are to be furnished for each transformer or group, i. e., one or more banks, of identical transformers, including spares

	Group 1	Group 2	Group 3	Group 4	Group 5	
Number of identical transformers: (a) In service	2					53
(b) Spare	-					54
Type: If auto, specify	-					55
Phase and frequency	3 60 HZ					56
Capacity of each transformer in mva.:						
(a) Normal rating	445 MVA	445 MVA				57
(b) Maximum continuous rating with forced cooling (if installed)	498 MVA Same	498 MVA Same				58
Voltage, in kv.: Primary	22.8kV	22.8kV				59
Secondary	345kV	345kV				60
Tertiary						61
Bank connection (Δ, Y, Y, grounded Y, or other):						
Primary	Δ	-				62
Secondary	Y	-				63
Tertiary	-	-				64
Bank capacity, in mva.: Primary						65
Secondary						66
Tertiary						67

[1] If not new when installed, show also by footnote the year equipment was manufactured and the year rebuilt.

Schedule 8

PART A.—ENERGY DELIVERIES TO SPECIFIED SYSTEMS AND ENERGY TRANSACTIONS WITH BORDER-LINE CUSTOMERS

1. Show in column 6 the amounts of energy delivered for resale to each class III and class V system.
2. If the respondent's system delivered energy to customers of another system (sometimes known as "border-line customers") such deliveries also should be included in column 6.
3. If customers of respondent received energy directly from another system for the account of the respondent (border-line receipts), such transfers shall be entered in column 5. If part of the energy deliveries to systems specified in instruction 1 and reported in column 6 are received back into the reporting system through another interconnection, such receipts also should be entered in column 5. All other receipts should be entered in column 5, part B, of schedule 8.
4. Energy delivered by respondent's system to "border-line customers," or vice versa (energy delivered to respondent's customers by another system), should be identified by inserting "border-line" in column 2.
5. Indicate by appropriate notes those systems whose full requirements were supplied by respondent.
6. The totals shown on line 40, column 5 and 6, should be carried over to line 13, columns 5 and 6, respectively, of schedule 14.

Name of Other Company or System (1)	Transfer Point (2)	Coordinate Location or Symbol on Map (3)	Firm (F) or Nonfirm (NF) Transfer (4)	Energy Received (Instruction 3) (Megawatt-hours) (5)	Energy Delivered (Instructions 1 and 2) (Megawatt-hours) (6)
Municipalities					
Akron	Akron				17,592
Andover	Andover				4,140
Angelica	Angelica				4,813
Arcade	Arcade				63,062
Bath	Bath				37,720
Bergen	Bergen				7,904
Boonville	Boonville				37,331
Castile	Castile				4,503
Churchville	Churchville				6,673
Endicott	Endicott				32,966
Fairport	Fairport				144,795
Frankfort	Frankfort				12,319
Groton	Groton				13,163
Hamilton	Hamilton				35,209
Ilion	Ilion				47,037
Lake Placid	Lake Placid				34,612
Little Valley	Little Valley				14,343
Marathon	Marathon				8,821
Mayville	Mayville				15,493
Mohawk	Mohawk				13,718
Penn Yan	Penn Yan				37,734
Philadelphia	Philadelphia				5,366
Plattsburgh	Plattsburgh				331,317
Rouses Point	Rouses Point				32,699
Salamanca	Salamanca				42,919
Sherburne	Sherburne				26,747
Silver Springs	Silver Springs				2,608
Skaneateles	Skaneateles				17,699
Solvay	Solvay				225,635
Spencerport	Spencerport				33,201
Theresa	Theresa				4,303
Tupper Lake	Tupper Lake				36,306
Total					

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Schedule 8—Continued

PART A.—ENERGY DELIVERIES TO SPECIFIED SYSTEMS AND ENERGY TRANSACTIONS WITH BORDER-LINE CUSTOMERS:

(See Page 19 for General Instructions)

1. Show in column 6 the amounts of energy delivered for resale to each class III and class V system.
2. If the respondent's system delivered energy to customers of another system (sometimes known as "[illegible] tomers") such deliveries also should be included in column 5.
3. If customers of respondent received energy directly from another system for the account of the respond[illegible] receipts), such transfers shall be entered in column 5. If part of the energy deliveries to systems specified in i[illegible] reported in column 6 are received back into the reporting system through another interconnection, such receipts entered in column 5. All other receipts should be entered in column 5, part B, of schedule 8.
4. Energy delivered by respondent's system to "border-line customers," or vice versa (energy delivered customers by another system), should be identified by inserting "border-line" in column 2.
5. Indicate by appropriate notes those systems whose full requirements were supplied by respondent.
6. The totals shown on line 20, column 5 and 6, should be carried over to line 13, columns 5 and 6, respectively.

Name of Other Company or System (1)	Transfer Point (2)	Coordinate Location or Symbol on Map (3)	Firm (F) or Nonfirm (NF) Transfer (4)	Energy Received (Instruction 3) (Megawatt-hours) (5)	Ener (Instr. (Mega
Municipalities (con't.)					
Watkins Glen	Watkins Glen				1[illegible]
Wellsville	Wellsville				4[illegible]
Westfield	Westfield				4[illegible]
Subtotal (1)					1,45[illegible]
Cooperatives					
Allegheny Elec. Coop.	NY-PA. State Line				79[illegible]
Chautauqua-Catt.	NYSEG System				[illegible]
Delaware County	" "				2[illegible]
Oneida-Madison	" "				1[illegible]
Otsego	" "				2[illegible]
Steuben	" "				3[illegible]
Subtotal (2)					90[illegible]
Total billed as of Power Plant Switchyard (Total(1) and (2))					2,36[illegible]
Advanced a/c above service					[illegible]
Net Delivered					2,37[illegible]
Total					

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 8—Continued

PART B.—OTHER ENERGY TRANSFERS WITH ELECTRIC UTILITY SYSTEMS AND RECEIPTS FROM INDUSTRIAL COMPANIES:

(See Page 19 for General Instructions)

1. Report in column 5 all energy (except that reported in Schedule 8, Part A, column 5) received from other electric utility systems and industrial companies.
2. Report in column 6 the amounts of energy delivered for resale to class I and class II systems which obtained a part of their power supply during the year from their own generating plants. Energy delivered to industrial establishments should be reported in Schedule 10 and not in this schedule.
3. Show all points of interconnection through which energy transfers (which would properly be included in Part B) could have been made, whether there were any transfers during the year or not. Where no transfers were made the entries in columns 5 and 6 should be zero.
4. The totals shown on line 40, columns 5 and 6, should be carried over to line 13, columns 3 and 4, respectively, of schedule 14.

Name of Other Company or System (1)	Transfer Point (2)	Coordinate Location or Symbol on Map (3)	Firm (F), or Nonfirm (NF) Transfer (4)	Energy Received (Instruction 1) (Megawatt-hours) (5)	Energy Delivered (Instruction 2) (Megawatt-hours) (6)	
Niagara Mohawk Power Corporation			F	0	10,304,537	1
			*	558,711	706,342	2
			NF	0	538,059	3
						4
New York State Electric & Gas Corp.			F	0	3,657,694	5
			*	198,859	250,976	6
			NF	0	181,074	7
						8
Rochester Gas & Electric Corp.			F	0	1,693,703	9
			*	144,221	178,317	10
			NF	0	58,020	11
						12
Central Hudson Gas & Electric Corp.			F	0	18,401	13
			*	67,429	88,586	14
			NF	0	70,557	15
						16
City of Jamestown			F	0	116,447	17
Public Service Board of Vermont			F	0	1,153,595	18
						19
Orange & Rockland			F	0	15,059	20
			NF	0	40,199	21
						22
Ontario Hydro			NF	0	255	23
Village of Springville			F	0	29,166	24
						25
Consolidated Edison			F	0	176,767	26
			NF	0	492,795	27
						28
Long Island Lighting			F	0	61,826	29
			NF	0	173,930	30
						31
Advance a/c "Expansion Power" Consumers					344	32
						33
						34
Advance a/c FitzPatrick Utility Customers					23	35
						36
						37
*Pumped Storage Service						38
						39
Total				969,220	20,006,672	40

SCHEDULE 8-C

Energy deliveries to PASNY Customers served by Wheeling Agent
All Firm Energy (Mw hrs.)

Municipalities Served from Niagara Mohawk System

Customer	Delivered to Customers	Deliveries to Wheeling Acct.	Energy Sup as of Pow Plants Sup
Akron	16,594	17,415	17,592
Andover	3,894	4,039	4,140
Arcade	59,511	62,433	63,062
Bergen	7,434	7,825	7,904
Boonville	34,399	36,208	37,331
Churchville	6,277	6,609	6,673
Fairport	136,181	143,350	144,795
Frankfort	11,352	11,951	12,319
Ilion	43,344	45,625	47,037
Lake Placid	31,893	33,571	34,612
Little Valley	13,490	14,201	14,343
Mayville	14,570	15,337	15,493
Mohawk	12,641	13,307	13,718
Philadelphia	4,944	5,205	5,366
Salamanca	40,365	42,489	42,919
Skaneateles	16,310	17,167	17,699
Solvay	207,922	218,867	225,635
Springville	27,431	28,874	29,166
Theresa	3,964	4,172	4,303
Tupper Lake	33,456	35,217	36,306
Wellsville	42,737	44,986	45,441
Westfield	42,538	44,778	45,229
Jamestown	109,519	116,447	116,447
Totals	920,516	970,133	987,530

Municipalities Served From NYSE&G System

Bath	35,835	37,720	37,720
Castile	4,277	4,503	4,503
Endicott	30,356	32,966	32,966
Groton	12,505	13,163	13,163
Hamilton	30,739	34,154	35,209
Marathon	8,379	8,821	8,821
Penn Yan	35,847	37,734	37,734
Rouses Pt.	30,518	32,124	32,699
Sherburne	23,351	25,945	26,747
Silver Springs	2,477	2,608	2,608
Watkins Glen	14,867	15,649	15,649
Totals	229,151	245,387	247,819

Municipalities Served from Rochester Gas & Electric System

Angelica	4,526	4,764	4,813
Spencerport	31,225	32,867	33,201
Totals	35,751	37,631	38,014

New York Power Authority — Year Ended December 31, 1975

Schedule 8-C continued — Energy Deliveries to Specified Systems (PASNY Customers Served Wheeling. All Firm Energy. (Mw hrs.)

N.Y. Rural Cooperatives served from New York State Electric & Gas System

Chautauqua - Catt.	3,491	3,675	3,675
Delaware	25,070	27,856	28,717
Oneida Madison	9,355	10,393	10,718
Oswego	25,246	28,052	28,919
Steuben	34,078	35,873	35,873
Subtotal	97,240	105,849	107,902

Served to Allegheny Cooperatives*

Via Niagara Mohawk System	590,858*	641,199	641,199
Via NYSE&G System	145,873*	158,301	158,301
Subtotal	736,731*	799,500	799,500

Service to City of Plattsburgh Via Authority System Only	325,520	325,520	331,317

SUMMARY

Delivered at Customers point of receipt	2,344,909
Losses on Wheeling Systems	
Niagara Mohawk	99,958
New York State Elec. & Gas System	37,273
Rochester Gas & Electric	1,880
Delivered to Wheeling Systems	2,484,020
Losses on Authority Systems	28,062
Total delivered as of Authority Switchyards	2,512,082
Advances withdrawn and billed	5,555
Total delivered exclusive of Advances withdrawn	2,517,637

*Customer received delivery at N.Y. State line for further transmission in Pennsylvania.

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 9

SYSTEM ENERGY ACCOUNTING FOR THE YEAR

(1)	Mega-watt-hours Generated and received (2)	Delivered (3)	
A. Net Generation of System Plants (from column B, line 36, schedule 1)	26,006,971	xxxxxx	1
B. Summary of Energy Transfers With Other Systems: (from schedule 8, part A plus part B):			
(1) Private systems	969,220	18,707,209	2
(2) Municipal and other publicly owned systems		2,764,085	3
(3) Rural cooperatives		907,402	4
(4) Industrial companies		xxxxxx	5
Total (lines 2 to 5, inclusive)	26,976,191	22,378,696	6
C. Net Energy for System (generation, plus energy received, less energy delivered)	4,597,495	xxxxxx	7
D. Total Energy Delivered to Ultimate Consumers[1] (Should agree with line 9, Schedule 10)	4,218,273	xxxxxx	8
E. Transmission and Distribution Losses and Energy Unaccounted for (line 7 minus line 8)[2]	379,222	xxxxxx	9

[1] Exclusive of "border line" deliveries to customers of other utilities and inclusive of "border line" receipts from other utilities.
[2] Exclude company and interdepartmental deliveries; such deliveries should be included in Schedule 10.

Schedule 10

ENERGY DELIVERED TO ULTIMATE CONSUMERS

(Exclusive of "border line" deliveries to customers of other utilities)

INSTRUCTIONS

The energy use classifications employed in this schedule are defined or clarified below for those classifications which may not be self-explanatory:

FARM, EXCLUDING IRRIGATION AND DRAINAGE PUMPING.—In order to facilitate reporting this classification of energy, farm may be defined in accordance with respondent's own interpretation. For guidance, the Bureau of the Census' definition of a farm may for the purposes herein be redefined briefly as a tract of land which produces or has the potential for the production of agricultural goods totaling $1,000 or more, annually; , the land operated by each tenant, renter, cropper, or manager is considered a separate farm. Respondent should report farms served rather than farm dwellings served in the column for number of customers. Estimates should be furnished for this classification if exact information is not available.

IRRIGATION AND DRAINAGE PUMPING.—Estimates should be furnished for this classification if exact information is not available.

NONFARM-RESIDENTIAL.—Energy supplied for nonfarm-residential and domestic purposes, including cooking and water heating. Where electric energy was supplied through a single meter for both residential and commercial purposes include it in the one or the other, according to its principal use. Exclude energy supplied to farm customers.

ELECTRIFIED TRANSPORTATION.—Energy supplied for the propulsion of cars, locomotives, or coaches. Energy for office buildings, depots, shops, signal lights, etc., should be reported under "Commercial" or "Industrial," as appropriate.

ALL OTHER.—Energy delivered for ultimate consumption that does not fall within any of the specific classifications listed in this schedule. Included in this group should be deliveries for municipal water pumping; oil and gas pipe line pumping; military camps and bases; and public buildings such as schools, police stations, and post offices.

Classification of Energy Delivered to Ultimate Consumers[1] (1)	Number of Customers at End of Year[2] (2)	Mega watt-hours (3)	
Farm, excluding irrigation and drainage pumping			1
Irrigation and drainage pumping			2
Nonfarm-residential			3
Commercial			4
Industrial	11	4,175,574	5
Street and highway lighting			6
Electrified transportation			7
All Other (give details, if relatively large)	3	42,699	8
Total Energy Delivered to Ultimate Consumers (should agree with line 8, schedule 9).	14	4,218,273	9

[1] Include company and interdepartmental deliveries in proper use classification.
[2] Report number of farms, residences, commercial establishments, etc., and not the number of meters where different.

Schedule 11

ENERGY TRANSFERRED TO OR ACROSS A STATE LINE OR INTERNATIONAL BOUNDARY [illegible]

1. In this schedule show the amounts of energy flow to or across a State line or international boundary during the year, including energy to and from the respondent's facilities.

2. Report Total amounts of energy so transferred in each direction over each line used. Do not report Net transfers. Where transfers were made over a number of circuits, estimates (noted "Est."), of the amounts transferred over each line, if measured quantities are not available.

3. Where the transfers reported were from one System Company to another System Company operating in an adjoining State, these company names should also be given in columns 1 and 3. "System" companies are those listed under item 6-C, page 3.

Transferred From—		Transferred To—		Line Designation		Amount Transferred (Megawatt-hours)
Company (1)	State (2)	Company (3)	State (4)	From— (5)	To— (6)	(7)
				Plattsburgh-Essex #33		
PASNY	N.Y.	Vermont Electric Power Company	Vt.	Plattsburgh, N. Y.	Essex, Vt.	1,077,272
Vermont Electric	Vt.	PASNY	N.Y.	Essex, Vt.	Plattsburgh, N. Y.	0
				L33P Interconnection		
PASNY	N.Y.	Hydro Electric Power Commission of Ontario	Can.	Moses (St. Law) Power Dam	International Boundary	39
Hydro Electric Power Commission of Ontario	Can.	PASNY	N.Y.	International Boundary	Moses (St. Law) Power Dam	1,720,575
				PA 27 Interconnection		
PASNY	N.Y.	Hydro Electric Power Commission of Ontario	Can.	Moses Niagara Power Plant	International Boundary	688,753
Hydro Electric Power Commission of Ontario	Can.	PASNY	N.Y.	International Boundary	Moses Niagara Power Plant	114,524

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Power System Statement of .....

Schedule 13

DEMAND ON GENERATING PLANTS, POWER RECEIVED, AND POWER DELIVERED, FOR RESA THE TIME OF SYSTEM PEAK LOAD OF THE YEAR

1. This schedule and schedules 14 and 15 are intended to show the load characteristics of the respondent's sys that avoids duplication with similar data for other systems. For this purpose the respondent's "system load" for a clock-hour interval is defined as being equal to the aggregate of the energy supplied during that interval:
   (a) To ultimate consumers of the respondent;
   (b) To the systems listed in schedule 8 Part A i. e., to class III and class V systems;
   (c) To other departments of the respondent; and, for transmission and distribution losses and energy for on the respondent's system; and, for the respondent's electric utility operations (exclusive of s

Note that the system load as here defined does not include the demands of other class I and class II systems requirements during the year were not wholly supplied by the respondent's system, i. e., which obtained a part of ments from their own generating facilities or from sources other than the respondent's system. Deliveries to such s in "D" below, must be excluded in order to avoid duplication.

2. Class I and class II systems should furnish the information requested below for the 60-minute clock-hour i which the system peak load of the year occurred.

3. All of the demand data called for in this schedule should show integrated megawatt demands for the 60-minu interval during which the system peak load of the year occurred. Where integrated demands for 60-minute clock-h are not available, it is desired that available data be adjusted to approximate the integrated demand for 60-minu intervals. Adjustments made should be explained in footnotes. Where such adjustments cannot be made, demand be furnished in the form available.

4. Estimated quantities (noted "Est.") should be furnished where measured data are not available.

	Integrated megawatts system pe
Date and hour of system peak load of year January 3, 1975 7 P.M.	Demand int
A. Combined net demand on system generating plants (from col. 11, line 36, schedule 1)	416
B. Itemized accounting of power received from other systems and industrial companies, except "borderline" receipts entered on line 40, schedule 8 part A.	
Name of other system	
	- 0
Total of lines 2 to 10, inclusive	
C. Demand on generating plants plus power received (line 1 plus line 11)	4165
D. Itemized accounting of power delivered to other systems for resale, except to those listed in schedule 8 part A	
Name of other system	
Niagara Mohawk Power Corp.	2093
New York State Electric & Gas Corp.	590
Rochester Gas & Electric Corp.	262
Central Hudson Gas & Electric Corp.	50
Public Service Commission of the State of Vermont	153
City of Jamestown	20
Village of Springville	6
Total of lines 13 to 21, inclusive	3174
E. System peak load of the year (C minus D). This entry should agree with the peak load of the year as shown in schedule 14, using the same demand interval	991

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 14

NET GENERATION, ENERGY RECEIVED AND DELIVERED, AND SYSTEM PEAKS BY MONTHS FOR THE YEAR

1. In column 2, show the total net generation of system by months for the year. The entry on line 13 of this column should agree with the entry on line 36, column 8, of schedule 1.

2. In columns 3, 4, 5 and 6, show the monthly distribution of the energy transfers reported in schedule 8, parts A and B. The totals shown on line 13 should agree with the totals reported in schedule 8.

3. In column 8 the entry on line 26 should agree with the entry on line 7 of schedule 9.

4. In column 10, show the maximum megawatt load on the system for each month of the year. Load data in this column should be the maximum integrated demand of the energy tabulated in column 9 for 60-minute clock hour intervals. Where integrated demands for 60-minute clock hour intervals are not available, it is desired that available data be adjusted to approximate such intervals. Adjustments made should be explained in footnotes. Where such adjustments cannot be made, load data should be furnished in the form available. The entry on line 26 of column 10 should agree with the entry on line 23 of schedule 13.

	System Net Generation (Megawatt-hours)	ENERGY TRANSFERS FROM SCHEDULE 8				
		Part B (Page 21)		Part A (Page 20)		
		Received (Col. 5) (Megawatt-hours)	Delivered (Col. 6) (Megawatt-hours)	Received (Col. 5) (Megawatt-hours)	Delivered (Col. 6) (Megawatt-hours)	
	(2)	(3)	(4)	(5)	(6)	
Jan	2,090,810	126,503	1,566,156		218647	1
Feb	1,830,793	117,206	1,362,660		221537	2
Mar	2,171,031	97,571	1,650,287		212627	3
Apr	1,992,999	101,771	1,551,470		195380	4
May	2,142,665	62,724	1,656,486		176709	5
June	2,064,626	37,268	1,577,513		135247	6
July	2,313,873	46,979	1,801,883		183196	7
Aug	2,311,103	75,354	1,814,797		191290	8
Sept	2,173,090	39,203	1,668,571		188557	9
Oct	2,352,469	68,933	1,822,931		188613	10
Nov	2,283,979	97,191	1,793,878		197323	11
Dec	2,279,533	98,517	1,740,040		212898	12
Total	26,006,971	969,220	20,006,672		2372024	13

	LOAD DATA					
	Net Energy for System (Col. 2 plus col. 3 minus col. 4 plus col. 5 minus col. 6) (Megawatt-hours)	Net Energy for Load (Col. 2 plus col. 3 minus col. 4) (Megawatt-hours)	Peak Load Demand Interval 60 Min.			Load Factor (From cols. 9 and 10) (Percent)
			(Megawatts) *	(Date)	(Clock-hour ending)	
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Jan	432510	651,157	991	Jan. 3	7:00 PM	88.3	14
Feb	363802	585,339	973	Feb. 10	11:00 AM	89.5	15
Mar	405688	618,315	959	Mar. 4	11:00 AM	86.7	16
Apr	347920	543,300	851	Apr. 21	12 Noon	88.7	17
May	372194	548,903	847	May 2	11:00 AM	87.1	18
June	339134	524,381	830	June 10	11:00 AM	87.7	19
July	375773	558,969	849	July 21	11:00 AM	88.5	20
Aug	380370	571,660	901	Aug. 4	11:00 AM	85.3	21
Sept	355165	543,722	874	Sep. 25	11:00 AM	86.4	22
Oct	409858	598.471	929	Oct. 10	12 Noon	86.5	23
Nov	389969	587,292	928	Nov. 24	12 Noon	87.9	24
Dec	425112	638,010	974	Dec. 9	6:00 PM	88.04	25
Year	4597495	6,969,519	991	Jan. 3	7:00 PM	80.3	26

Report Minimum Hourly Load Experienced During the Month

Month (14)	(Megawatts) (15)	Month (16)	(Megawatts) (17)	
Jan.	752	July	643	27
Feb.	774	Aug.	652	28
Mar.	681	Sept.	642	29
Apr.	639	Oct.	711	30
May	636	Nov.	728	31
June	628	Dec.	722	32

Percent load factor = Net energy for load (Col. 9) X100 / Peak load (Col. 10) X hours in month (or year).

Calculate the load factor to the nearest tenth of one percent. If hours used in calculating the load factor for a month differ from the calendar hours in that month, report the number of hours used in calculating the load factor.

(25)

Rev. (12-75)

* Excludes load of the Village of Springville with an annual peak of approx. 6Mw.

Power System Statement of Power Authority of the State of New York for the Year Ended Dece

Schedule 15

SYSTEM LOAD DATA FOR SPECIFIED WEEKS

Load data should be furnished by all class I systems. Class II systems may omit this schedule unless otherwise in

1. Show the 60-minute integrated megawatt demand for each clock-hour of the days specified in this schedule, determined (as for the peak hour in schedule 13) from coincident demands as follows:

(a) Combined net demand on all system generating plants.

(b) Plus: Power received from other systems and industrial companies listed in schedule 8, part B, column 5.

(c) Minus: Power delivered, for resale, to each class I and class II system that obtained a part of its power supply during the year from its own generating facilities or from systems other than the respondent's. These systems are listed in schedule 8, part B column 6.

(d) Total net demand for load data (a) plus (b) minus (c).

Note that power delivered by the respondent to anot III or class V system is included in the respondent's load for purposes of this schedule.

2. Where integrated demands for 60-minute clock- tervals are not available, it is desired that available adjusted to approximate the integrated demand for 6 clock-hour intervals. Adjustments made should be e in footnotes. Where such adjustments cannot be m data should be furnished in the form available.

3. The loads represented by the demands to be e this schedule will, in accordance with instruction 1, inc sales for resale to systems listed in schedule 8, part

4. State whether the system operates on Eastern, Central, Mountain, or Pacific time . . . . . .

5. If the system operated on daylight-saving time during the year, give beginning and ending dates of the daylig period.....

6. If any of the reported data are given in daylight-saving time, indicate which readings are so given.....

7. If unusual conditions (storms, floods, industrial disturbances, etc.) greatly affected the system load characteris ing any of the specified weeks, describe such influences briefly on an addenda sheet and give the dates affected.

Schedule 15

SYSTEM LOAD DATA FOR SPECIFIED WEEKS*

Demand Interval .....

Time Interval (1)	INTEGRATED DEMAND IN MEGAWATTS — First Full Week of April Starting With Sunday (Indicate dates)						
	Sunday (2)	Monday (3)	Tuesday (4)	Wednesday (5)	Thursday (6)	Friday (7)	Satu (8)
Midnight	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 10	Apr. 11	Apr.
12- 1	670	684	671	694	696	699	69
1- 2	670	667	675	691	688	683	68
2- 3	665	664	669	678	684	686	68
3- 4	645	664	667	681	694	688	68
4- 5	660	664	668	687	685	697	68
5- 6	659	685	685	693	696	704	69
6- 7	674	739	717	737	735	746	72
7- 8	689	780	769	777	783	781	76
8- 9	717	819	814	820	812	830	80
9-10	728	828	819	818	815	821	80
10-11	736	837	835	824	826	836	81
11-12	742	833	829	830	822	838	81
Noon							
12- 1	739	802	806	803	796	809	78
1- 2	722	801	817	826	810	822	78
2- 3	712	787	800	801	800	796	77
3- 4	699	789	802	801	803	794	77
4- 5	721	793	793	810	812	809	79
5- 6	738	798	824	812	791	808	78
6- 7	755	808	818	828	821	817	80
7- 8	780	825	843	837	833	831	82
8- 9	777	809	807	835	837	828	80
9-10	772	802	800	808	806	806	78
10-11	729	761	774	775	773	778	76
11-12	686	724	739	740	734	739	71
Total for day	17,085	18,363	18,441	18,606	18,552	18,648	18,23

Note.—In order that systems may collect data in advance, the same weeks in the following year will be selected for schedule 15.

*Includes load of the Village of Springville with an annual peak of approxim

Power System Statement of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 15—Continued

SYSTEM LOAD DATA FOR SPECIFIED WEEKS*

Demand Interval

INTEGRATED DEMAND IN MEGAWATTS

First Full Week of August Starting With Sunday (Indicate dates)

Time Interval (1)	Sunday (2)	Monday (3)	Tuesday (4)	Wednesday (5)	Thursday (6)	Friday (7)	Saturday (8)	
	Aug. 3	Aug. 4	Aug. 5	Aug. 6	Aug. 7	Aug. 8	Aug. 9	
Midnight	759	757	761	760	749	741	732	1
12- 1	741	741	735	742	731	727	723	2
1- 2	722	739	726	734	730	711	708	3
2- 3	722	717	717	719	718	698	705	4
3- 4	732	727	727	724	720	715	707	5
4- 5	718	733	737	728	737	714	724	6
5- 6	724	768	757	762	764	754	736	7
6- 7	747	808	802	799	806	798	787	8
7- 8	799	860	827	831	844	841	828	9
8- 9	794	875	862	869	870	859	853	10
9-10	793	907	870	879	880	886	868	11
10-11	821	881	891	894	902	892	830	12
11-12								
Noon	795	899	881	872	869	875	841	13
12- 1	789	892	874	879	881	880	863	14
1- 2	772	888	876	867	870	874	850	15
2- 3	766	882	861	854	855	854	844	16
3- 4	771	880	871	864	861	861	858	17
4- 5	787	861	873	854	861	863	855	18
5- 6	788	871	863	856	854	857	842	19
6- 7	790	850	851	841	830	848	830	20
7- 8	801	861	854	846	846	857	847	21
8- 9	822	868	858	854	846	854	836	22
9-10	812	836	837	830	823	820	824	23
10-11	770	804	802	788	778	786	781	24
11-12								
Total for Day	18,495	19,905	19,713	19,646	19,625	19,565	19,322	25

First Full Week of December Starting With Sunday (Indicate dates)

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
	Dec. 7	Dec. 8	Dec. 9	Dec. 10	Dec. 11	Dec. 12	Dec. 13	
Midnight	796	811	793	800	813	807	806	26
12- 1	777	793	799	791	796	793	798	27
1- 2	764	784	759	775	782	781	787	28
2- 3	766	789	784	769	779	781	779	29
3- 4	763	775	776	781	776	780	785	30
4- 5	765	797	790	796	796	800	797	31
5- 6	774	846	822	826	824	824	833	32
6- 7	785	893	885	882	866	890	872	33
7- 8	807	916	918	896	902	919	896	34
8- 9	835	933	911	915	923	932	911	35
9-10	838	954	934	923	931	937	924	36
10-11	841	936	930	934	925	939	927	37
11-12								
Noon	830	927	909	905	916	919	902	38
12- 1	824	935	921	909	916	928	915	39
1- 2	816	933	909	914	916	908	900	40
2- 3	823	922	907	895	901	907	896	41
3- 4	842	927	937	918	926	923	924	42
4- 5	901	979	980	971	962	973	968	43
5- 6	910	962	963	958	964	959	957	44
6- 7	896	957	944	932	937	942	943	45
7- 8	895	936	934	938	935	935	941	46
8- 9	878	917	913	913	904	905	916	47
9-10	860	882	874	884	887	884	885	48
10-11	833	851	848	840	846	853	850	49
11-12								
Total for Day	19,819	21,355	21,140	21,065	21,123	21,219	21,112	50

cludes load of the Vill

Power System Statement of POWER AUTHORITY OF THE STATE OF NEW YORK for the Year Ended Dec

Schedule 16.....Continued

SYSTEM DEPENDABLE AND ASSURED CAPACITY

A. CAPACITY AT END OF YEAR COVERED BY THIS REPORT.

Assuming a continuance of the relative seasonal and hourly variations of load that occurred during the year of this report, as indicated in item 6, as derived below, what MAXIMUM ANNUAL SYSTEM LOAD could be carried with the system facilities and firm power arrangements for the purchase or sale of firm power as they existed at the end of year covered by this report with allowance for reserves theoretically required: (See detailed instructions on page 28.)

	Megawatts
1. Net dependable capacity available from:	
(a) System fuel plants (exclusive of capacity required for station use)	440
(b) System conventional hydro plants	3200
(c) System pumped storage plants	1000
(d) Subtotal (a) plus (b) plus (c)	
2. Capacity available from firm purchases:	
From:	
Total	
3. Firm obligations to systems listed in schedule 8, part B:	
To See supplemental schedule 16A	
Total	
4. Net dependable capacity plus net purchases (1 (d) plus 2 minus 3)	
5. Reserve capacity required (exclusive of reserve for load growth):	
(a) Total reserve for system (a)	
(b) Available through interchange or emergency agreements[2] (a)	
(c) Reserve capacity required to be supplied by own system (a) minus (b) (a)	
6. Net assured system capacity (4 minus 5 (c))	

B. FUTURE CHANGES IN CAPACITY.

1. List below all *SCHEDULED* alterations, additions, or retirements in system generating plants, and changes in firm power arrangements with other systems.

Description of Change (Give plant name, type of plant and location where applicable) (1)	Date (Month—Year) Start (2)	Completion (3)	Contract Change or Name-Plate Rating (Megawatts) (4)	Effect in megawatts Net dependable capacity (5)	Reserve capacity (6)
See supplemental schedule 16B					

2. In addition to the *SCHEDULED* items in B-1 above, list below all *NON-SCHEDULED* generating capacity being planned for installation to meet estimated loads reported in schedule 19.

Give type of plant and approximate Location, if known (1)	Name-Plate Rating of Unit (Megawatts) (2)	Number of Units (3)	Estimated D Start Construction (4)

1. If the seasonal and hourly variations in load are expected to change materially from those experienced during the year of this report, the data given may be based on the expected load shape, explaining in a footnote.
2. List each source of capacity and the amount available, as specified in Instruction 6 (b) on page 28.

Supplemental Schedule 16A

[illegible] Hudson	16
[illegible]lated Edison	44
[illegible]land Lighting Company	17
[illegible]ork State Electric & Gas	829
[illegible] Mohawk	1989
[illegible] & Rockland	4
[illegible]ter Gas & Electric	343
[illegible]nt	150
[illegible]own	21
[illegible]ille	7
	3420

(a) Reserve capacity for hydro plants is provided by capability which is not normally utilized for firm deliveries except under emergency conditions. Reserve for the FitzPatrick Plant is provided by restricting firm sales to approximately 85% of net capability, and selling the energy associated with the reserve capability to the seven other major electric utilities in New York State in exchange for supporting energy when the unit is out of service.

SUPPLEMENTAL SCHEDULE (B)

	(3)	(4)	(5)
James A. FitzPatrick Nuclear Power Plant (uprate) Town of Scriba, NY	4/76	246	246
Sale	4/76	210	-210
James A. FitzPatrick Uprate	5/76	123	123
Sale	5/76	105	-105
Indian Point #3 - Nuclear Buchanan, NY	7/76	482	482
Sale	7/76	47	-47
Indian Point #3 Uprate	9/76	391	391
Sale	9/76	38	-38
Astoria #6 - Oil Fired Astoria, NY	12/76	800	800
Sale	12/76	78	-78
Indian Point #3 Uprate	9/77	92	92
FitzPatrick Plant Uprate	10/77	42	42
Sale	10/77	35	-35
Purchase of Quebec Summer Diversity Power	10/77	800	800
Sale of Summer Diversity Power	10/77	800	-800
Indian Point #3 Uprate	9/79	68	68
Pumped Storage 11 (1) Prattsville, NY	5/82	1000	1000
Arthur Kill - Coal Fired (2)	9/82	700	700
Greene County Nuclear Power Plant, Cementon, NY (2)	9/84	1200	1200

(1) The identified site represents preferred site in licensing proceedings before the Federal Power Commission.

(2) The identified site represents the preferred site presented in Article Vlll proceedings before the New York State Public Service Commission.

Power Authority of the State of New York for the Year Ended December 31, 1975

Not applicable. Power Authority does not maintain load distribution data by substations, divisions or areas.

Power System Statement of ---------- for the Year Ended December 31,

Schedule 18

SYSTEM MAPS AND DIAGRAMS

Attach to each of two copies of the power system statement one print each of the following:

(a) System map (or maps) showing geographical location of generating stations, electric power lines, switching stations, substations, and points of interconnection with other electric utility systems and with industrial plants having generating capacity of one megawatt or more.

(b) Single-line schematic switching diagram (or diagrams) showing the electrical connections of lines and facilities outlined in (a) above.

(c) General characteristics of facilities.

All as more specifically outlined below:

1. Maps and diagrams should show all lines and the substations supplied therefrom, operating at voltages of 22 kv. and above, except radial and low capacity distribution circuits in metropolitan areas.
2. In general, system maps or diagrams or both should be of such scale as to be easily read and should show: (a) Location and name of all generating plants and of those substations and switching stations specified in (1) and (3); (b) names of communities served by respondent; (c) location and name of each interconnection with other utility systems; (d) location and nominal voltage of each high voltage line of 22 kv. and above or any other line regardless of voltage which constitutes the tie line between generating stations or from generating stations to high voltage systems of 22 kv. or above, indicating frequency and number of phases where other than 60 cycle or 3 phase.
3. Substations and switching stations in the following classes, together with facilities for supply from the main system, should be shown on both the map and diagram even though the voltage of the supply lines may be below 22 kv.
   (a) Principal substations and switching stations within metropolitan areas.
   (b) Substations and switching stations connecting with other utility systems or to industrial plants having generating capacity of 1 mw or more (connections for minor "border-line deliveries" need not be shown).
4. The following information should be shown on single-line schematic diagram or on supplemental tabulation for substations and switching stations specified in (1) and (3) above and for generating plants of 1 mw capacity or greater:
   (a) Connections of major electrical equipment such as generators, conversion equipment, main and auxiliary buses, circuit breakers, disconnecting switches (other than for instrument transformers), power transformers (specify Δ, V, Y, or Y grounded, etc.), voltage regulators, phase shifters, high voltage lines of 22 kv. and above.
   (b) Principal connections from generating stations and principal substations (regardless of voltage).
   (c) Nominal voltage of buses and equipment.
   *(d) Continuous mva. rating of rotating equipment, transformers (normal and with forced cooling where installed), rectifiers, condensers, and voltage regulators.

   Meter, control and house circuits need not be shown. Characteristics of station step-up transformers given in schedules 4, 5, and 7 need not be repeated to comply with this instruction.
5. The following information should be shown for high voltage, tie, and substation supply lines:
   (a) Number of circuits installed (if space for additional circuits, so note).
   (b) Operating voltage (and design voltage if different).
   (c) Length of right-of-way between terminal points.
   (d) Type of construction, i. e., overhead, underground or submarine cable.
   **(e) Type of structure, i. e., steel tower, wood H-frame, steel or wood pole and equivalent spacing of conductors.
   (f) Conductor material and size.
6. *Material furnished under this schedule shall carry the notation "Correct as of December 31, 197 (or a later date), and be initialed by a responsible employee of respondent.*
7. Existing maps and switching diagrams prepared for administrative purposes, load dispatching, or other operating uses, supplemented by such ink or color notations or tabulations as required, may be furnished.
8. If system maps, single-line diagrams and supplemental tabulations previously furnished meet the detailed requirements outlined above and are wholly correct as of the close of the year of this report, such information need not be repeated, but a notation should be made as to the accuracy and year submitted, as follows: Maps, diagrams, and tabulations submitted with FPC Form No. ....., for the year 19....., correct as of December 31 of the year herein reported.

*Need not be furnished for substations of total rating less than 300 kva.
**Need not be furnished for lines under 45 kv. if the maximum transmission voltage of the system is greater than 69 kv.

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York State Power Authority — Year Ended December 31, 1975

CHARACTERISTICS OF TRANSMISSION LINES

Line	Circuit Miles	Voltage KV	Structure	Conductor Spacing	Conductor Size	Conductor Material
[illegible] Swyd-Reynolds (2 circuits)	6.33	115	S	13'min	795	ACSR
	6.69	115	W.H.-Fr.	12'6"	795	ACSR
[illegible] Swyd-Int. Bdry. (L33P)	0.90	230	S	20'min	795	ACSR
	1.14	230	S	20'min	636	ACSR
[illegible] Swyd-Adirondack	17.24	230	S	20'min	795	ACSR
[illegible] Swyd-Adirondack (2 circuits)	154.54	230	W.H.-Fr.	23'8"	500	Copper
[illegible] Swyd-Plattsburgh	1.79	280	S	20'min	795	ACSR
	69.01	230	W.H.-Fr.	19'6"	795	ACSR
[illegible] Swyd-Rower D-5 (2 cir.)	1.70	115	S	13'min	954	ACSR
[illegible] Swyd-Rower 5-1	0.85	115	S	13'min	954	ACSR
[illegible] rgh-Vt.State Line						
[illegible] rgh-Cumberland Head	7.5	115	W.H.-Fr.	12'6"	954	ACSR
[illegible] nd Head-Vt.St.Line:						
Circuit No.1	1.63	115	1/	2/	500	Copper
Circuit No.2	1.67	115	1/	3/	1000	Copper
[illegible] rgh-Air Force Base	6.36	46	W.H.-Fr.	8'6"	2/0	ACSR
	3.65	115	W.H.-Fr.	12'6"	477	ACSR
[illegible] rgh-Saranac	4.29	115	W.H.-Fr.	12'6"	4/0	CW
	0.48	115	W.H.-Fr.	12'6"	477	ACSR
[illegible] Swyd-Edic						
[illegible]-Rochester (2 circuits)	140.4	345	S	34'5"	795	ACSR
[illegible]er-Clay	78.6	345	S	34'5"	795	ACSR
[illegible]er-Gannell	17.0	345	S	34'5"	795	ACSR
[illegible]-Clay	61.6	345	S	34'5"	795	ACSR
[illegible] (2 circuits)	100.2	345	S	34'5"	795	ACSR
[illegible] Swyd-Int. Boundary	1.4	230	S	20'	1158.4	ACSR
	0.1	230	S	20'	1158.4	ACSR
	2.4	230	S	20'	1158.4	ACSR
[illegible] Fraser	33.9	345	S	29'	954	ACSR
[illegible] New Scotland	31.8	345	S	29'	954	ACSR
[illegible] rick-Edic	68.3	345	S	29'	1113	ACSR
[illegible] rick-Nine Mile Point	.5	345	S	29'	1113	ACSR

1/ [illegible] pressure oil-filled submarine cables.

2/ [illegible] ing 4' on shore, 6' under water.

3/ [illegible] ing 4' on shore, 50' under water.

Schedule 18 B

HIGH VOLTAGE LINE DATA

1. Loading data are to be reported under this Schedule for high-voltage lines in the nominal voltage ranges indicated in the tabulation below. Data should be supplied for all line sections in the indicated voltage classifications, except that data need not be supplied for radial tap lines as defined in footnote [2] or for sections of main high-voltage line between adjacent tap lines unless the section or tap (a) connects to a generating station; (b) crosses a state or international boundary; (c) involves a sale at wholesale for resale; or (d) serves a Federal Government load of 1 megawatt or more. However, data should be given for each end of such a line when intermediate data are excluded. Line terminals listed in this Schedule should be the same as shown on the geographical map or single-line diagram, or both. Power flow diagrams may be submitted in lieu of tabulations. Add data for lines completed since the last report.

High Voltage Lines Upon Which Data Should Be Supplied

If Highest Nominal System Voltage is—	*Supply Line Load Data for Main Lines and for (a) to (d) Lines of—*
69 Kv or Less	33 Kv or Greater
Over 69 Kv to 161 Kv	33 Kv or Greater
Greater than 161 Kv	Greater than 69 Kv and Lines in [1]

[1] Also supply data on 33 to 69 kv lines that fit (a) through (d) above or radiate from the network to supply areas not enclosed by a higher voltage ring.
[2] Tap line as used here means a connection to a line of the same voltage between terminal points on that line.

2. The maximum possible loading shown in column 5 should be that at the time of annual system peak, taking into consideration not only the characteristics of the line itself, but also that of its associated equipment and other operating limitations that might be imposed by normal system connections. If the capacity of the line under the above conditions is below the possible loading of the line alone, please specify by number the limiting factor, such as (1) transformer capacity, (2) limitations in capacity of other connecting lines, (3) system stability, (4) permissible voltage drop, (5) relay settings, (6) continuous current rating of circuit breaker, (7) generating station capacity, (8) line capacity controlled by parallel circuits and load locations, or (9) other factors which should be explained.

3. Show for the months designated, the load on each line *at the time of the monthly system peak, as shown in column 10, Schedule 14.* The load data in this schedule should be the integrated demand for 60-minute intervals. Where integrated demands for such intervals are not available, other data should be adjusted or estimates furnished to approximate the integrated demand to 60-minute interval. Where two or more identical circuits between line terminals are grouped, indicate by symbol whether data be for one or all such circuits.

4. If the energy flow at the time of the monthly peak is in a direction opposite to that shown in columns 1 and 2, the figures in columns 6, 7, 8, 9, and 10 should be enclosed in parentheses (_____).

LINE TERMINALS		Length of Each Line (miles)	Operating Voltage (Kv.)	Maximum Possible Loading (mw.)	LINE LOAD AT TIME OF MONTHLY SYSTEM PEAK—				
Normal Flow of Power					4/21	8/4	10/10	12/9	
From— (1)	To— (2)	(3)	(4)	(5)	12 April Noon (6)	11 Aug AM (7)	12 Oct Noon (8)	6 December PM (9)	7: (10)
ST. LAW. SWITCHYD. /1	ADIRONDACK S.S. #1	85.9	230	262(3)	254	206	166	217	
ST. LAW. SWITCHYD. /1	ADIRONDACK S.S. #2	85.9	230	262(3)	253	205	166	217	
ST. LAW. SWITCHYD. /2	PLATTSBURGH S.S.	70.8	230	288(1)	169	156	189	184	
PLATTSBURGH S.S. /2	VERMONT STATE LINE	8.3	115	* (9)	124	80	136	112	
PLATTSBURGH S.S. /2	SARANAC S.S.	8.4	115	80(5)	7	42	15	29	
PLATTSBURGH S.S. /2	PLATTSBURGH AIR BASE	6.36	46	10(1)	5	5	6	7	
ST. LAW. SWITCHYD.	REYNOLDS S.S. #1	4.3	115	150(1)	85	91	91	90	
ST. LAW. SWITCHYD.	REYNOLDS S.S. #2	4.3	115	150(1)	85	90	90	90	
ST. LAW. SWITCHYD.	REYNOLDS S.S. #3	4.3	115	150(1)	72	80	79	80	
ST. LAW. SWITCHYD.	U.S. CANADA BORDER	2.04	230	315(5)	(172)	(231)	(190)	(237)	
/1 METERED AT ADIR.	*(9)175MW CABLE THERMAL LIMIT								
/2 METERED AT PLATTS.									

1. Load flow data are to be furnished under the following conditions in the case of voltage [illegible] on the [illegible] system that data [illegible] lines as defined in footnote 1 on the voltages of the [illegible] lines unless the section or tap (a) connects to a generating station, (b) crosses a state or international boundary, (c) supplies a sole or principal source for resale, or (d) serves a Federal Government load of 2 megawatts or more. However, data should be given for each end of such a line when intermediate data are excluded. Line terminals listed in this Schedule should be the same as shown on the geographical map or single-line diagram, or both. Power flow diagrams may be submitted in lieu of tabulations. Add data for lines completed since the last report.

High Voltage Lines Upon Which Data Should Be Supplied

If Highest Nominal System Voltage is—	*Supply Line Load Data for Main Lines and for (a) to (d) Lines of—*
69 Kv or Less	33 Kv or Greater
Over 69 Kv to 161 Kv	55 Kv or Greater
Greater than 161 Kv	Greater than 69 Kv and Lines in [1]

[1] Also supply data on 55 to 69 kv lines that fit (a) through (d) above or radiate from the network to supply areas not enclosed by a higher voltage ring.
[2] Tap line as used here means a connection to a line of the same voltage between terminal points on that line.

2. [illegible] If the capacity of the line under the above conditions is below the possible loading of the line above, please specify any number the limiting factor, such as (1) transformer capacity, (2) limitations in capacity of other connecting lines, (3) system stability, (4) permissible voltage drop, (5) relay settings, (6) continuous current rating of circuit breakers, (7) generating station capacity, (8) line capacity contained by parallel circuits and load locations, or (9) other factors which should be explained.

3. Show for the months designated, the load on each line *at the time of the monthly system peak, as shown in column 10, schedule 14.* The load data in this schedule should be the integrated demand for 60-minute intervals. Where integrated demands for such intervals are not available, other data should be adjusted or estimates furnished to approximate the integrated demand to 60-minute interval. Where two or more identical circuits between line terminals are grouped, indicate by symbol whether data be for one or all such circuits.

4. If the energy flow at the time of the monthly peak is in a direction opposite to that shown in columns 1 and 2, the figures in columns 6, 7, 8, 9, and 10 should be enclosed in parentheses (------).

LINE TERMINALS		Length of Each Line (miles)	Operating Voltage (Kv.)	Maximum Possible Loading (mw.)	LINE LOAD AT TIME OF MONTHLY SYSTEM PEAK—(mw.)				
Normal Flow of Power					4/21	8/4	10/10	12/9	1/3
From— (1)	To— (2)	(3)	(4)	(5)	April 12 Noon (6)	August 11 A.M. (7)	October 12 Noon (8)	December 8 P.M. (9)	Annual Peak 7 P.M. (10)
#1 Niagara Switchyard	Rochester Station 80	70.2	345	*500	285	441	343	309.5	318
#2 Niagara Switchyard	Rochester Station 80	70.2	345	*500	285	441	343	309.5	318
#1 Rochester 80	#1 Pannell Rd.	15.0	345	*500	267.5	352.5	284.5	241.5	265
#2 Rochester 80	#2 Pannell Rd.	15.0	345	*500	151.5	334.5	250.5	197.5	250
#1 Pannell Rd.	#1 Clay	63.5	345	*500	134.5	332	245	191	232.5
#2 Pannell Rd.	#2 Clay	63.5	345	*500	151.5	334.5	250.5	197.5	250
#1 Clay	#1 Edic	50.1	345	*500	**143	**333	**247	**194	**241
#2 Clay	#2 Edic	50.1	345	*500	**143	**333.5	**248.5	**194.5	**241.5
Niagara Switchyard	U.S. Canadian Border	3.9	230	400	192	-41	157	183	2

*Limited by 3 & 8
**Estimated

Note: As presently connected the Roch/Pannell Line 2 and the Pannell/Clay Line 2 do not interchange energy at Pannell Rd. Station.

mw.=thousand kilowatts.

Schedule 18 B (Continued)

HIGH VOLTAGE LINE DATA

1. Loading data are to be reported under this Schedule for high-voltage lines in the nominal voltage ranges indicated in the tabulation below. Data should be supplied for all line sections in the indicated voltage classifications, except that data need not be supplied for radial tap lines as defined in footnote [2] or for sections of main high-voltage line between adjacent tap lines unless the section or tap (a) connects to a generating station; (b) crosses a state or international boundary; (c) involves a sale at wholesale for resale; or (d) serves a Federal Government load of 1 megawatt or more. However, data should be given for each end of such a line when intermediate data are excluded. Line terminals listed in this Schedule should be the same as shown on the geographical map or single-line diagram, or both. Power flow diagrams may be submitted in lieu of tabulations. Add data for lines completed since the last report.

High Voltage Lines Upon Which Data Should Be Supplied

If Highest Nominal System Voltage is—	*Supply Line Load Data for Main Lines and for (a) to (d) Lines of—*
69 Kv or Less	33 Kv or Greater
Over 69 Kv to 161 Kv	55 Kv or Greater
Greater than 161 Kv	Greater than 69 Kv and Lines in [1]

[1] Also supply data on 55 to 69 kv lines that fit (a) through (d) above or radiate from the network to supply areas not enclosed by a higher voltage ring.
[2] Tap line as used here means a connection to a line of the same voltage between terminal points on that line.

2. The maximum possible loading shown in column 5 should be that at the time of annual system peak, taking into consideration not only the character-istics of the line itself, but also that of its associated equipment and other operating limitations that might be imposed by normal system connections. If the capacity of the line under the above conditions is below the possible loading of the line alone, please specify by number the limiting factor, such as (1) transformer capacity, (2) limitations in capacity of other connecting lines, (3) system stability, (4) permissible voltage drop, (5) relay settings, (6) continuous current rating of circuit breakers, (7) generating station capacity, (8) line capacity controlled by parallel circuits and load locations, or (9) other factors which should be explained.

3. Show for the months designated, the load on each *line at the time of the monthly system peak, as shown in column 10, item 14.* The load data in this schedule should be the integrated demand for 60-minute intervals. Where integrated demands for such intervals are not available, other data should be adjusted or estimates furnished to approximate the integrated demand to 60-minute interval. Where two or more identical circuits between line terminals are grouped, indicate by symbol whether data be for one or all such circuits.

4. If the energy flow at the time of the monthly peak is in a direction opposite to that shown in columns 1 and 2, the figures in columns 6, 7, 8, 9, and 10 should be enclosed in parentheses (------).

LINE TERMINALS — Normal Flow of Power		Length of Each Line (miles)	Operating Voltage (Kv.)	Maximum Possible Loading (mw.)	LINE LOAD AT TIME OF MONTHLY SYSTEM PEAK—(mw.)				
From—	To—				4/21 April 12 NOON	8/4 August 11 AM	10/10 October 12 NOON	12/9 December 6 PM	1/3 Annual Peak 7 PM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
GILBOA	FRASER	33.62	345	2026	75	10	200	130	200
GILBOA	NEW SCOTLAND	31.82	345	2026	430	520	310	610	800
FitzPatrick	Edic	68.3	345	1117	151	332	302	223	11
FitzPatrick	Nine Mile Point	.5	345	1117	(152)	(337)	315	(227)	(8)

mw.—thousand kilowatts.

(32-B)

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ment of Power Authority of the State of New York for the Year Ended December 31, 1975

Schedule 19

SUMMER AND WINTER PEAK MONTH AND CALENDAR YEAR LOAD ESTIMATES

...h estimates of system's power requirements for the summer and winter month during which the seasonal peak load occurs ...basis as schedule 14, columns 9, 10, and 13.

...h estimates of the system's power requirements for the next four calendar years on the same basis as schedule 14, columns

...e under "Remarks" a brief discussion of the major factors affecting power requirements which were considered in making

(1)	Month of Peak (2)	Net Energy for Load (thousand kilowatt-hours) (3)	Peak Load (Megawatts) (4)	Load Factor (Percent) (5)	
...k month data:					
...mer	Sept.	1145500	2260	70.4	1
...ter (1976–77)	Jan.	1402900	2560	73.7	2
Summer	Sept	1320800	2490	73.7	3
...ter (1977–78)	Jan	1422800	2580	74.1	4
Summer	Sept.	1365000	2590	73.2	5
...ter (1978–79)	Jan.	1526900	2800	73.3	6
Summer	Sept.	1440100	2720	73.5	
...ter (1979–80)	Jan.	1522500	2840	72.1	7
...ear data:		10410000	2320	51.2	8
		15998000	2560	71.3	9
		16623000	2630	72.2	10
		17794000	2810	72.3	11
					12

...rks:

Service will begin to governmental customers in Southeastern New York in mid 1976 with initial commercial operation of the Indian Point 3 unit and will be expanded late in 1976 with operation of the Astoria 6 unit. Service to these customers for only a portion of summer 1976 affects load factors for that period.

Rev. (12-75)

Power System Statement of POWER AUTHORITY OF THE STATE OF NEW YORK for the Year Ended

ATTESTATION

The foregoing statement must be attested by a responsible engineer or executive officer of respondent, or of respondents where a consolidated statement is filed, qualified and duly authorized to prepare or supervise preparation of the statement and to certify its accuracy, completeness and truthfulness.

Attest:

I am PRINCIPAL ECONOMIST
(Title of Office or Position)

POWER AUTHORITY OF THE STATE OF NEW YORK
(Name of Respondent or of one of Respondents)

and
(Title of Any Office or Position, or "Agent")

(Name of Any Other Respondents)

I am qualified by training and experience and am charged with responsibility for, and have {prepared / supervised the preparation of} (Strike one) the foregoing statement and as such an officer or employee and agent of respon

certify that the foregoing statement is based upon, and is as full and complete as can be supplied from the of respondent(s) and that the statement is true and accurate, to the best of my knowledge and belief.

Edward J Brow
(Signature of Attestor)

EDWARD J. BROWN
(Name, Typewritten or Printed)

PRINCIPAL ECONOMIST
(Title of Attestor)

May 3, 1976
(Date)

ENCLOSURE NO. 3

POWER AUTHORITY CUSTOMERS

January 1, 1976

St. Lawrence Project Contracts

Contract	Customer	Contract Demand (Kw) 1/1/76	
Municipal Systems			
S-3	City of Plattsburgh	76,000	(enclosed)
S-8	Village of Boonville	8,500	(enclosed)
S-9	Village of Solvay	42,000	(same as S-8)
S-10	Village of Rouse's Point	7,000	(enclosed)
S-12	Village of Theresa	1,000	(same as S-8)
S-13	Village of Philadelphia	1,200	"
S-14	Village of Ilion	11,000	"
S-15	Village of Mohawk	3,500	"
S-16	Village of Hamilton	7,200	(same as S-10)
S-17	Village of Skaneateles	3,400	(same as S-8)
S-18	Village of Frankfort	2,700	"
S-22	Village of Sherburne	5,900	(same as S-10)
S-23	Lake Placid Village	7,500	(enclosed)
S-24	Village of Tupper Lake	8,200	(same as S-23)
Coopematives			
S-19	Delaware County Electric Coop. Inc.	7,700	(enclosed)
S-20	Oneida-Madison Electric Coop. Inc.	2,800	(same as S-19)
S-21	Otsego Electric Coop. Inc.	7,200	"
Industrial Contracts			
S-1	Aluminum Company of America (Firm)	174,000	(enclosed)
	(Interruptible)	65,000	
S-5	Reynolds Metals Co. (Firm)	200,000	(enclosed)
	(Interruptible)	39,000	
S-11	General Motors Corp.	12,000	(enclosed)

St. Lawrence Project Contracts (Contd.)

Contract	Customer	Contract Demand (Kw) 1/1/76	
Utilities			
S-6	Niagara Mohawk Power Corp. (Firm)	115,000	(enclosed)
S-7	New York State Electric & Gas (Firm)	20,000	(enclosed)
Other			
S-2	Public Service Board of the State of Vermont	100,000	(enclosed)
S-4A	United States Air Force	10,000	(enclosed)

Niagara Project Contracts

Municipal Systems			
NS-2	City of Salamanca	8,500	(enclosed)
NS-3	Village of Andover	700	(same as NS-2)
NS-4	Village of Akron	4,000	"
NS-5	Village of Wellsville	10,000	"
NS-6	Village of Fairport	33,000	"
NS-7	Village of Little Valley	3,500	"
NS-8	Village of Arcade	15,500	"
NS-9	Village of Springville	7,200	"
NS-10	Village of Bergen	1,700	"
NS-14	Village of Westfield	10,000	"
NS-15	Village of Mayville	3,800	"
NS-16	Village of Churchville	1,600	"
NS-17	Village of Spencerport	8,500	"
NS-19	Village of Watkins Glen	3,200	(enclosed)
NS-21	Village of Bath	8,000	(same as NS-19)
NS-22	Village of Endicott	7,000	"
NS-23	Village of Angelica	1,100	(same as NS-2)
NS-24	Village of Silver Springs	600	(same as NS-19)
NS-25	Village of Marathon	2,100	"
NS-26	Village of Groton	4,000	"
NS-27	Village of Castile	1,300	"
NS-28	Village of Penn Yan	8,200	"
NS-31	City of Jamestown	21,000	(enclosed)

Niagara Project Contracts (Contd.)

Contract	Customer		Contract Demand (Kw) 1/1/76	
Cooperatives				
NS-12	Steuben Rural Electric Coop., Inc.		12,160	(enclosed)
NS-29A	Allegheny Electric Coop., Inc.		130,000	(enclosed)
Utilities				
NS-1	Niagara Mohawk Power Corp.	Firm	322,000	(enclosed)
		Replacement	445,000	
		Expansion	233,500	
		Peaking	108,000	
		¶B Peaking	86,000	/a
NS-11	New York State Electric & Gas	Firm	276,000	(enclosed)
		Expansion	16,550	
		Peaking	92,000	
		¶B Peaking	74,000	/a
NS-13	Rochester Gas & Electric Corp.	Firm	142,000	(enclosed)
		¶B Peaking	40,000	/a
Other				
NS-20	Public Service Board of the State of Vermont	Firm	50,000	(enclosed)
		¶B Firm	2,632	/a

J. A. FitzPatrick Plant Contracts

Industries /b			
FD-1	Aluminum Company of America	20,000	(enclosed)
FD-2A	Hooker Chemicals & Plastics Corp.	9,300	(enclosed)

/a ¶B power and energy is supplied when available pursuant to paragraph B of the General Power Contract Provisions. The price is $1.00 per month per kilowatt of billing demand plus 2.67 mills per kilowatt hour.

/b Contract demands for FitzPatrick industrial customers are the amounts listed plus losses from the FitzPatrick switchyard to the customer's point of delivery.

J. A. FitzPatrick Plant Contracts (Contd.)

Contract	Customer	Contract Demand (Kw) 1/1/76	
Industries			
FD-3	Air Products & Chemicals, Inc.	10,000	(enclosed)
FD-4	Reynolds Metals Company	26,000	(enclosed)
FD-5	Airco Industrial Gases	2,000	(same as FD-2A)
FD-6	Airco Speer Carbon-Graphite	7,500	"
FD-7	Burdox, Inc.	7,500	"
FD-8	E. I. DuPont De Nemours & Co.	5,000	"
FD-9	Dresser Transp. Equipment	14,000	"
FD-10	Olin Corporation	2,600	"
FD-11 /c	Airco Industrial Gases	11,500	(same as FD-3)
FD-12 /c	Airco Alloys Div., Airco Inc.	14,600	(same as FD-2A)
Utilities			
UD-1	Central Hudson Gas & Electric Corp.	Contract	(enclosed)
UD-2	Consolidated Edison Company of N. Y. Inc.	demands	"
UD-3	Long Island Lighting Company	vary by	"
UD-4	N. Y. State Electric & Gas Corp.	season	"
UD-5	Niagara Mohawk Power Corp.	and from	"
UD-6	Orange & Rockland Utilities, Inc.	year to	"
UD-7	Rochester Gas & Electric Corp.	year.	"
		See contracts.	

Blenheim-Gilboa Project Contracts /d

PS-1	Niagara Mohawk Power Corp.	550,000	(enclosed)
PS-2	New York State Electric & Gas Corp.	200,000	(same as PS-1)
PS-3	Rochester Gas & Electric Corp.	150,000	"
PS-4 /e	Central Hudson Gas & Electric Corp.	100,000	"

/c Not presently being served, service will commence on or before the last day of 1976.

/d The rate for Blenheim-Gilboa capacity is $1.35 per month per kilowatt of contract demand rather than the amount listed in the enclosed contract.

/e Central Hudson's share of Blenheim-Gilboa capacity has been assigned to New York State Electric & Gas Corp. on a temporary basis.

ENCLOSURE NO. 4

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

State of Vermont Public Service Board	)	
	)	
v.	)	Docket No. E-8746
	)	
Power Authority of the State of New York	)	

PRESIDING ADMINISTRATIVE LAW JUDGE'S INITIAL DECISION IN COMPLAINT PROCEEDING

(May 15, 1975)

APPEARANCES

William I. Harkaway, Averill Laundon and Richard Saudek for Vermont Public Service Board

Scott B. Lilly, John C. Mason and Peter A. Giuntini for the Power Authority of the State of New York

Richard A. Solomon, Peter H. Schiff and Howard J. Read for the Public Service Commission of the State of New York

William C. Wise and Marian Schwalm Furman for Allegheny Electric Cooperative, Inc.

Scott M. Duboff and Robert A. Nelson, Jr. for the Staff of the Federal Power Commission

LEVANT, PRESIDING ADMINISTRATIVE LAW JUDGE:

This proceeding arises upon a complaint filed with the Commission by the State of Vermont Public Service Board (PSB) on April 22, 1974, as amended June 6, 1974. The complaint alleges that 30 megawatts (mw) of power from the Power Authority of the State of New York's (PASNY) Niagara Project (FPC Project No. 2216)1/ should be allocated to PSB rather than to the Allegheny Electric Cooperative, Inc. (Allegheny) and that the Niagara Project has more power for allocation to out-of-state preference customers than the 180 mw presently made available by PASNY to such customers pursuant to the terms of its license and the Niagara Redevelopment Act (Act). 2/ As noted by the Commission, this controversy presents a case of first impression for the Commission as it has not been previously called upon to adjudicate a dispute over allocations of preference power from the Niagara Project.

PROCEDURAL BACKGROUND

The Commission set the matter for hearing by order issued August 23, 1974. In that order the Commission denied motions by Allegheny and American Municipal Power-Ohio, Inc. (Amp-Ohio) seeking dismissal of the complaint and a motion by PSB requesting a stay of performance of the contract pursuant to which PASNY allocated 30 mw to Allegheny. The Commission also deferred its ruling on a motion by PASNY to limit the issue in this proceeding to the question of the proper allocation of the 30 mw, pending a development of the record. PASNY has elected not to renew its motion. Allegheny, Amp-Ohio and the New York State Public Service Commission (NYSPSC) intervened in the proceedings. A prehearing conference was convened September 19, 1974. Hearings were held November 25, 26, and December 5, 6, 9, 10 and 11, 1974. PSB filed an initial brief on January 20, 1975. Allegheny, NYSPSC and Staff filed briefs on February 12, 1975. PASNY filed its brief on February 14, 1975. PSB, PASNY, Allegheny and Staff filed reply briefs on February 28, 1975. On March 6, 1975, Amp-Ohio filed a motion for leave to file a reply brief out-of-time. Its motion was granted March 28, 1975.

1/ 19 F.P.C. 186 (1958).

2/ The controlling provisions of the Niagara Redevelopment Act are set forth in Appendix A.

State of Vermont Public Service Board

PSB is the utility regulatory and planning agency of the State of Vermont. 1/ In addition, it has been authorized by the Vermont legislature to be the power marketing agency of the State of Vermont and is designated as the agent of the State of Vermont for the procurement of electrical energy from PASNY as well as from other sources. In furtherance of its responsibilities it has contracted with PASNY to purchase St. Lawrence Project 2/ power and Niagara Project power. PSB, in its role as power marketing agency for the State, seeks to acquire both the additional 30 mw of power now allocated to Allegheny and such additional power as may be available from PASNY.

Both with respect to its purchase of 100 mw of St. Lawrence Project power and of 50 mw of Niagara Project power, PSB has sought to assure that rural and domestic consumers within the State of Vermont are benefited by the low cost power made available by requiring the Vermont utilities, whether investor owned, municipals, or cooperatives, to effect rate reductions.

Allegheny Electric Cooperative, Inc.

Allegheny is a non-profit member cooperative formed under the Electric Cooperative Corporation Act of the Commonwealth of Pennsylvania (15 P.L. 124, et seq.) to obtain the lowest possible wholesale cost for electric power for its members. It is owned and controlled by its fourteen members. These member distribution cooperatives operate electric distribution systems in rural areas. Thirteen of the members operate in Pennsylvania and one in New Jersey. The Pennsylvania members are incorporated under the same Act as Allegheny and are also non-profit member-owned cooperatives.

On July 20, 1966, Allegheny entered into a contract with PASNY for the purchase of 100 mw of Niagara Project power. At the time PASNY entered into the contract with Allegheny it also entered into contracts with New York State Electric & Gas Corporation and Niagara Mohawk Power Corporation to wheel the power and energy sold to Allegheny from the Niagara Project to the New York-Pennsylvania state line. Allegheny entered into contracts with Pennsylvania Electric Company (Penelec) and Metropolitan Edison Company (Met Ed) for the transmission of such power and energy from the New York-Pennsylvania state line to the delivery points of its member cooperatives.

1/ PSB was formerly denominated the Vermont Public Service Commission.

2/ FPC Project No. 2000.

Upon learning that PASNY was willing to allocate an additional 30 mw of power, Allegheny filed a formal application. After proceedings before PASNY and approval by the Governor of New York, an amendment to its contract, dated August 23, 1974, increasing the contract from 100 mw to 130 mw was executed by PASNY and Allegheny. The delivery to Allegheny of the additional 30 mw commenced on September 1, 1974.

Power Authority of the State of New York

PASNY is a corporate municipal instrumentality created by the laws of the State of New York and as such is a public body with governmental and public powers. 1/ PASNY has major hydroelectric projects on the St. Lawrence and Niagara Rivers. It has transmission lines extending throughout the State of New York and has contracts to sell power to industry, investor owned utilities, municipals, cooperatives and out-of-state customers. It has an obligation under the Niagara Redevelopment Act to assure that at least 50 percent of the project power shall be available for sale and distribution for the benefit of the people as consumers, particularly domestic and rural customers. 2/ PASNY is further required to make a maximum of 20 percent of such preference power available, or in effect 10 percent of project power, for use within reasonable economic transmission distance in neighboring states. 3/ It operates under the direction of five trustees who have the duty inter alia, to assure that sales are made from the Niagara Project in a manner consistent with the Act and its license issued by the Commission in 1958. The Act authorizes the Commission to resolve disagreements concerning the allocation of preference power arising between PASNY and power marketing agencies in neighboring states.

HISTORICAL BACKGROUND

PASNY in its brief presented the following historical background of the Niagara Project:

> The Niagara Project (Project No. 2216) was constructed by the Authority pursuant to the provisions of the Federal Power Act 3/ and as a result of an act of Congress known

3/ 16 U.S.C. § 791a, et seq.

1/ See New York Power Authority Act, Section 1002.

2/ Act, Section (b)(1).

3/ Act, Section (b)(2).

as the Niagara Redevelopment Act. 4/ The Niagara Redevelopment Act was passed by Congress in 1957 after a long controversy over what entity should be permitted to develop the full hydroelectric potential of the Niagara River which was made available to the United States by a Treaty between the United States and Canada Concerning Uses of the Waters of the Niagara River, signed at Washington, February 7, 1950 (TIAS 2130).

The Treaty required that a minimum of 100,000 cubic feet of water per second (cfs) flow over Niagara Falls during the daytime during the tourist season, and that a minimum of 50,000 cfs flow over the Falls at all other times. 5/ The Treaty further provided that, except for certain designated portions of the outflow from Lake Erie, all of the remaining water was to be divided equally between the United States and Canada and could be used for power production.

In ratifying the 1950 Treaty, the Senate attached a reservation which provided that no project for the full utilization of the United States' share of waters of the Niagara River could be undertaken until it was specifically authorized by an act of Congress. A long controversy ensued over who would build a power project at Niagara Falls and over the terms under which the power would be marketed. Various conflicting bills were introduced in each Congress beginning in 1950 to provide for development of a project either by private enterprise, by the State of New York or by the Federal Government. Some of the bills included the preference provisions governing the sale of power produced at Federal projects contained in Section 5 of the Flood Control Act of 1944, 6/ while others had no preference provisions.

On August 20, 1956 the Authority applied to the Federal Power Commission for a license to construct a power project to use the United States' share of the Niagara River contending that the reservation the Senate attached to the 1950 Treaty was unconstitutional. On November 30, 1956 the FPC dismissed the Authority's application on the ground that it was not authorized

4/ Public Law 85-159, 71 Stat. 401, 16 U.S.C. §§836, 836a.

5/ The tourist season lasts from April 1 to October 31 each year. See Article III of the Treaty, and transcript pp. 103-04.

6/ Act of December 11, 1944, Ch. 665, 58 Stat. 53-4, 16 U.S.C. §825s.

to rule upon the constitutionality of the Senate's reservation to the 1950 Treaty. The Authority appealed and the United State Court of Appeals for the District of Columbia on June 20, 1957 set aside that order of dismissal and remanded the matter to the FPC for determination of whether on the merits such a license should issue to the Authority. Shortly thereafter, an appeal was taken by the FPC to the United States Supreme Court from the Court of Appeals' decision. 7/

Meanwhile, on June 7, 1956, a rock slide had completely destroyed the 365 mw Schoellkopf Hydroelectric Plant (Project No. 16) of the Niagara Mohawk Power Corporation (Niagara Mohawk). The Schoellkopf Plant then contained approximately two-thirds of the generating capacity on the United States side of the Niagara River. A large number of electrometallurgical and electrochemical industrial facilities in the vicinity of Niagara Falls had depended upon the low cost hydroelectric power produced by Niagara Mohawk. These industries constituted the principal sources of employment in the Niagara Falls area and were considered by Congress to be vital to the national defense. 8/

The destruction of the Schoellkopf Plant and the loss of its generating capacity and the Court of Appeals' decision voiding the Treaty reservation accelerated resolution of the controversy over who was to build a power plant on the Niagara River in favor of the Power Authority and the only remaining dispute related to 'the application of the Federal power preference policy in the marketing of Niagara power, and the extent to which Niagara power should be required to be made available in the States of Pennsylvania and Ohio'. 9/

7/ On November 18, 1957 after the Niagara Redevelopment Act became law on August 21, 1957 the judgment of the United States Court of Appeals for the District of Columbia Circuit was vacated on the ground that it was then moot and the case was remanded to that court with directions to dismiss the petition.

8/ H.R. Report No. 862, 85th Cong., 1st sess., p. 2 (1957).

9/ Id. at p. 3.

The controversy over the marketing of Niagara power was resolved by a compromise which was embodied in the terms of the Niagara Redevelopment Act. The Act was passed by the first session of the 85th Congress, and approved by President Eisenhower on August 21, 1957.

The Power Authority promptly began construction of the Niagara Project. First commercial production of power occurred on February 10, 1961. The last of the Project's 25 generating units was available for service on October 11, 1962. Except for outages for maintenance purposes, both scheduled and unscheduled, the Project has been in full operation since 1962.

ISSUES

There are two principal issues to be determined in this proceeding, viz.:

(1) To whom should the 30 mw of Niagara Project power be allocated, Allegheny or PSB?

(2) What comprises Niagara Project power from which allocations are to be made to preference customers in neighboring states?

In addition, a number of subsidiary issues have been raised which are hereinafter addressed.

POSITION OF THE PARTIES

PSB believes that it represents the preferred market for the 30 mw of Niagara Project power. It also maintains that there are additional quantities of power to be made available by PASNY to neighboring states and requests that such power be allocated to it.

Allegheny asserts that PASNY's allocation to it of the 30 mw of Niagara Project power was altogether proper. It takes no position with respect to project power issue. 1/

PASNY states that its decision to allocate the 30 mw to Allegheny is reasonable, in the public interest, and in accord with the terms of the Niagara Redevelopment Act. With respect to the project power issue, it contends that it unnecessary for the Commission to consider in this proceeding what actually constitutes project power because the firm power being delivered to PSB at system load factor at the Niagara Project switchyard constitutes PSB's reasonable portion of Niagara power. It asserts that the facts and the law support that "project power" is 1800 mw. In the event the Commission desires to require PASNY to make

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1/ By letter of March 3, 1975, Allegheny advised the Administrative Law Judge and all counsel of record that it is in a position to purchase additional project power.

more Niagara power available to out-of-state customers, PASNY contends that the Commission must first have an environmental impact statement prepared by Staff pursuant to Section 102(2)(c) of the National Environmental Policy Act and then conduct hearings thereon. It urges that PSB's complaint be denied.

The Commission Staff urges that PASNY be required to sell the 30 mw of firm power, presently sold to Allegheny, to PSB. On the project power issue Staff recommends a finding that 1880 mw (75 percent load factor), 200 mw of firm peaking power (12.5 percent load factor), 200 mw of currently available firm peaking power (12.5 percent load factor), and variable quantities of peaking interchange power sold to non-PASNY entities, comprise project power within the meaning of the Act.

Amp-Ohio in its brief requests that recognition be given to the rights and interest of Amp-Ohio and the public agencies it represents and asserts that no allotment could be validly made that did not provide for the transfer of the allotment to Ohio when wheeling arrangements are made.

NYSPSC expresses a position only with respect to the project power issue. It states that there is no statutory requirement that any additional Niagara Project power be sold by PASNY outside of New York State and that it would be unreasonable and contrary to the public interest to so require. It argues that in any event no consideration can be given to any such proposal until and unless the procedures mandated under NEPA have been fully complied with.

Neighboring States

Allegheny contends that the legislative history of the Niagara Redevelopment Act makes it emphatically clear that only preference customers in Pennsylvania and Ohio were intended to be given the right to share in the Niagara Project power and that Vermont has no right whatsoever to any Niagara power. It devotes much of its brief to this issue. Allegheny states that the Senate held hearings on the bill which became the Niagara Redevelopment Act. As noted by Staff, the Senate did not hold hearings upon the bill which became the Act. It did, however, hold hearings on two bills, S. 512 and S. 1037, before deciding on a compromise bill, S.2406, which became the Act. There is no indication that S. 512 and S. 1037 were used as models for S. 2406. Hearings on S. 512 and S. 1037 Before a Subcommittee on Public Works, 85th Cong., 1st Sess. 1-4 (1957). Indeed, the main issues which necessitated the compromise bill, S. 2406, were the preference and out-of-state allocation provisions.

The language used by Congress in the Act, 1/ cannot reasonably be interpreted to exclude Vermont as a "neighboring state". Under the common definition of neighboring, to wit, "immediately adjacent or relatively near," Vermont is a neighboring state. The Act must have been so interpreted in the earlier allocation of power to PSB. Though the legislative history makes specific reference, in a number of instances, to Pennsylvania and Ohio, there are indications that other states were intended to be beneficiaries of Niagara Project power as well. For instance, as noted by PSB, Senator Chavez in introducing the debate on S. 2406, the bill which ultimately became the Niagara Redevelopment Act, stated "The New York and New England area has the highest power rate of any section of the country. It is hoped that the Niagara Project will provide an adequate yardstick and permit power rates and greater use of electricity over a large part of the northeastern section of our country" 2/.

Staff in its brief points to a statement in the House debates by Representative Miller as follows:

> The other 50 percent will be subject to the preference clause, and 20 percent of that, or 10 percent of the whole, will be available to New York or the neighboring States. Any neighboring State, such as Massachusetts, if it makes application before the Federal Power Commission, will receive its reasonable share of this power if it can prove that the power can be transmitted to such State and be sold there under economic conditions and that they can utilize the power, and that it is cheaper there than power which they themselves can generate by steam power. Then they would be entitled to a portion of this power. 103 C.R. 13204 (1957) (emphasis added.)

If Congress had intended to restrict the plain meaning of "neighboring states" in the Act, it would have done so specifically as it has done in other acts. 3/ Allegheny's contention is found to be without merit.

1/ 16 U.S.C. §836(b)(2).

2/ See 103 Cong. Rec. 14438 (Aug. 12, 1957).

3/ Section 5 of the Boulder Canyon Project Act, 43 U.S.C. §617d(c) provides a preference in the generation and purchases of electric energy for the States of Arizona, California, and Nevada specifically.

Preference Customers

Allegheny raises another question with respect to whether PSB qualifies as a preference customer under the Act which provides that the power available under the preference provision thereof shall be sold to "public bodies and non-profit cooperatives". It maintains that PSB is not such a preference customer since it sells approximately 80 percent of the Niagara power at wholesale to non-preference customers. Allegheny contends that PSB is actually used to thwart the will of Congress by serving as a conduit to get Niagara power into the hands of the investor owned power companies.

The Act directs PASNY to "give preference and priority to public bodies and non-profit cooperatives within economic transmission distance". Allegheny concedes that PSB is a public body of the State of Vermont. There is no prohibition in the Act precluding the distribution of Niagara Project power to those intended to be benefited under the Act by investor owned utilities. The record contains ample evidence indicating that the ultimate consumers are benefited by the low cost Niagara power by means of appropriate rate reduction. Allegheny's allegation is rejected.

ALLOCATION OF THE 30 MW

Substantial evidence was presented on the allocation issue. In their respective presentations the parties have attempted to show by comparative benefit analyses which applicant would obtain the greatest benefit from the 30 mw of hydroelectric power. No party contends that it has an immediate requirement for the 30 mw of Niagara Project power for which there is no substitute. The principal attractiveness of this block of power to any power consumer is unquestionably its low cost.

PSB proceeds with its analysis of the issue on the basis of three points, to wit, (1) who would benefit more economically by the acquisition of additional Niagara power; (2) which system has more built-in reliability and therefore less of a need for Niagara power; and (3) which system will have other power supplies more readily and economically available in the future? PSB states that on each point the decision must be made in its favor with respect to the 30 mw now being sold to Allegheny, as well as for any additional power which may be made available to neighboring states.

Allegheny argues that it should receive the 30 mw of Niagara Project power for the reasons that, (1) PSB cannot use the 30 mw at the present time; (2) PSB has a greater availability of future power supply than Allegheny; (3) Allegheny will derive greater

economic benefits than PSB; and (4) on the basis of Congressional intent PSB has no claim to the Niagara power. 1/

Staff in arriving at its position that PSB should receive the 30 mw of Niagara Project power analyzes the following factors: (1) present and future need for 30 mw of power; (2) current and projected loads of competing applicants; (3) resources available to meet current and projected loads; (4) present and future alternatives available to applicants; (5) transmission considerations; and (6) beneficiaries of the 30 mw of Niagara Project power.

PASNY urges that substantial weight be given to the reasons whereby the PASNY Board of Trustees decided to allocate the 30 mw to Allegheny. These reasons, it asserts, are contained in the PASNY General Manager's Report which concluded that the total benefits will be on the same general order with respect to either applicant, but that more of the benefits will flow to the consumers through preference type agencies by allotment to Allegheny. It further concluded that New Jersey, another neighboring state, will benefit in some degree and that Ohio may also benefit from an allotment to Allegheny. Another consideration cited is that the allotment to Allegheny would bring relative amounts of PASNY power (St. Lawrence and Niagara Projects combined) allotted between Vermont and Pennsylvania more closely in line with the relative populations and power needs of the two areas. Even with the 30 mw allocated to Allegheny, PASNY asserts PSB still would have a far larger share in proportion to Vermont's population.

Examined below are the various bases upon which the parties assert the relative merits of allocating the 30 mw to one applicant rather than the other.

Projected Loads

In addressing the respective needs of PSB and Allegheny, Staff considers the estimated load growth of the State of Vermont and of the Allegheny system. It concludes that they will not be significantly different. PASNY concurs. Allegheny states that the Pennsylvania load grows at a rate considerably faster than that of Vermont. As noted earlier, neither PSB nor Allegheny has a present critical need for the power. The load growth projections herein do not establish significantly different requirements. 2/ Moreover, load growth projections do not provide a meaningful basis for a resolution of this issue, since there is no showing that these projections would not be satisfied by other means in the absence of an allocation of 30 mw of Niagara Project power.

1/ This contention has been addressed supra, pp. 8-10.

2/ Exs. 3, 34, 37, 42, 44, 73-77 and 93.

Available Resources

Considerable evidence was presented on the resources available to the respective applicants to meet current and projected loads. Witness Schultz testified that, for the winter of 1974-75, Vermont has power resources of 563 mw within the state and is currently committed to take 544 mw from out-of-state sources under joint ownership or contractual agreements, 1/ for a total of 1107 mw. Vermont expects to have resources of 930 mw, 941 mw, and 1227 mw to meet peak loads in the winters of 1975-75, 1976-77 and 1977-78. 2/

PSB witness Stensrud testified about a number of projects in the planning stage or awaiting construction permits as well as presently available power resources. As shown in Exhibit 41 the New England Region which includes Vermont has a reserve margin for 1974-75 of 38.5 percent which reduces in four years to 16.8 percent.

Allegheny witness Rogers testified that Allegheny owns no generating capacity. Allegheny purchases all of its requirements from PASNY, Penelec, Met Ed, Jersey Central Power and Light Company and West Penn Power Company. 3/ Allegheny's contracts with Penelec and Met Ed allow Allegheny to reduce its purchases of supplemental power from these companies when PASNY power is taken. Not until 1980 would the alternative of participating in joint ownership of a nuclear facility be more economic than purchasing supplemental power from its current suppliers, except for PASNY.

On the basis of testimony by witness Savage, Staff in its brief shows the reserve margins of Mid-Atlantic Area Council (MAAC) which furnished 83 percent of Allegheny's December supplemental power needs as follows: 4/ 1974-75 - 55.2 percent; 1975-76 - 54.2 percent; 1976-77 - 49.9 percent; 1977-78 - 46.2 percent; 1978-79 - 47.7 percent. In considering the question of reserves in a regional context, Staff asserts that the allocation of the 30 mw of PASNY capacity to PSB will increase the reserves of the New England Region during the period 1975 through 1978 and will particularly aid New England in 1978-79 when the Region's supplies will be, in witness Savage's words, "at the low end of the range usually considered desirable". 5/ On the other hand, Staff maintains, MAAC and East

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1/ Tr. 61.

2/ Ex. 3, Table III.

3/ Tr. 150.

4/ Ex. 44.

5/ Tr. 191.

Central Area Reliability Coordination Agreement (ECAR) have "fully adequate reserve generating capacity through 1978-79. It contends, that the allocation of the 30 mw to PSB will thus improve the reliability of the New England region to a greater extent than the MAAC-ECAR regional reliability would be improved if the capacity were allocated to Allegheny.

PASNY asserts that regional reliability is not an appropriate consideration under the Act or the legislative history. It maintains that comparison of the MAAC and ECAR regions with New England is improper. If regions are to be compared, it contends the appropriate comparison would be between MAAC-ECAR and Northeast Power Coordinating Council (NPCC) of which New England is a part. The record shows the 1974-75 capacity of (1) MAAC as 43,557 mw 1/; (2) ECAR as 72,012 mw 2/; (3) the New England Pool as 19,566 mw 3/ and (4) NPCC as 67,918 mw. 4/

Allegheny argues that serious consideration may not be given to Staff reliability arguments as the impact of 30 mw is so de minimis as to be absolutely meaningless. Allegheny's argument is well taken. The impact of 30 mw upon system reliability would be questionable when measured against the system capacities shown. Moreover, there is merit to PASNY's contention that there is no basis in the Act for comparing regional reliability in a determination of the allocation issue. Assuming arguendo that such a comparison were proper, it would be unreasonable to allocate the 30 mw of Niagara Project power on the basis of a de minimis impact on the reliability of these systems.

Cost Savings Comparisons

PSB initially asserted that 30 mw of PASNY power would save Vermont consumers approximately $1,900,000 per year when PASNY power is fully assimilated. 5/ Witness Schultz estimated the total annual cost of PASNY power at $1,208,088 (capacity charge of $378,000, energy charge $515,088, transmission charge $315,000)

1/ Ex. 44.

2/ Ex. 43.

3/ Ex. 41.

4/ Ex. 45.

5/ In Exhibit 3, it is indicated that if the 30 mw of PASNY power were available in 1974, Vermont could only absorb the power by selling some part of its higher cost resources for a year or two during which time the savings would be less.

based on existing demand and energy charges of $1.00 per kw a month and 2.67 mills per kwh, respectively. 1/ For his cost comparison witness Schultz chose Middletown No. 4, the most recently installed fossil-fuel generating unit in New England. 2/ He arrived at an annual cost of $3,137,364 for Middletown No. 4 and then subtracted the Niagara Project power cost for 30 mw to obtain the $1,900,000 savings. An updated study, taking into account cost escalations, forms the basis for a claim that savings to PSB consumers would now be at least $3,312,000 annually. 3/ Even after paying continuing demand charges under its contracts, upon the substitution the Niagara power for presently contracted power, witness Schultz testified that the savings would be over $3,000,000.

Allegheny argues that it would obtain greater economic benefits than PSB. It states that immediately upon receiving the 30 mw of Niagara Project power it experienced savings of $1,219,064. 4/ These savings are to increase to $1,400,000 after forthcoming Penelec and Met Ed rate increases. 5/ Witness Rogers challenges the annual savings shown by PSB asserting that the $1,900,000 would be reduced to only $583,762 were the "redundant" power taken into account. Allegheny in its brief asserts that PSB's savings should be reduced by at least $600,000 to cover fixed charges. Moreover, it maintains that the Schultz study based on the Middletown No. 4 is erroneous since PSB does not plan to replace Niagara Project power with Middletown No. 4 power on a continuing basis or at a similar load factor. PSB's contract for Middletown No. 4 expired in May 1974.

PASNY states that the estimate of cost savings of PSB are not comparable in that the PSB estimate relates to the total savings to be achieved within the entire state based on the incremental cost of power from an alternate source which is a relatively new unit, while Allegheny would buy alternate power at the average cost of the utility systems supplying such power to produce and transmit it. It maintains that the corresponding incremental costs for the utilities supplying alternate power to Allegheny must necessarily be considerably higher than the average cost.

1/ Ex. 3.

2/ Ex. 3, p. 8.

3/ Tr. 82.

4/ Tr. 151.

5/ Tr. 167, 175.

Staff is of the view that substantially equal benefits would accrue to both PSB and Allegheny by 1980, since the alternative to both would then be nuclear power. It is between 1975 and 1980 that Staff believes there would be a substantial difference which favors PSB. It asserts that even with an increase of 50 percent in Penelec and Met Ed's rates the savings to Allegheny would only increase to approximately $2,500,000 while it credits PSB with savings of $3,312,000.

PSB witness Schultz showed savings of $3,825,401 upon a comparison utilizing nuclear power. 1/ A study by Allegheny's Mr. Rogers showed a savings of $3,422,321 to Allegheny 2/ with nuclear power.

The savings of PSB and Allegheny have been computed upon different bases. PSB has used the incremental cost of a particular unit, while Allegheny uses the average system cost of its suppliers. The record does not provide PSB's suppliers' average system costs for comparison. On the basis of the Middletown No. 4 unit cost comparison, the savings shown by PSB would be offset substantially by PSB's obligations to continue to pay demand charges under its contracts.3/ In this regard, PSB argues that the extent to which demand charges would offset savings from Niagara Project power would depend upon the unit that would be displaced at a given time.4/ Yet, for its savings computations, it uses one relatively high priced fossil fuel unit rather than an average system cost. The use of the Middletown No. 4 unit alone does not reflect the alternative operation intended and, therefore, does not accurately reflect the savings to PSB. It may reasonably be expected that the difference in savings between PSB and Allegheny would be significantly less than claimed by PSB if it were based on a uniform systemwide comparison. As Staff notes, this would be particularly true after 1980 when nuclear power would be the alternative in either case.

The differences shown for savings comparing purchases from PASNY with nuclear generation are likewise inconclusive. Ninety-five percent of the difference of $403,000 is due to differences

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1/ Ex. 72.

2/ Ex. 33 as corrected at Tr. 573.

3/ Tr. 348-351.

4/ Tr. 639 shows the demand charges for various sources of power.

in nuclear annual capacity unit costs between Allegheny and PSB. 1/ In turn, the Allegheny estimate is lower as a result of lower finance costs, that is, the components of the fixed charge ratio. 2/

Once again there is substantial evidence that, upon analysis, contributes very little to the resolution of the allocation issue. What does emerge from the evidence of alternative power resources available is that Allegheny, having no generating capacity of its own, is dependent upon purchases from suppliers at rates demanded, while PSB has a number of alternative sources of power upon which it can rely. PSB would, therefore, have greater opportunities to obtain more economical power resources than Allegheny.

Transmission Considerations

The feasibility of transmitting 30 mw to either Pennsylvania or Vermont is not in issue. Witness Schultz indicated that the total cost of transmission to Vermont's distribution systems was $20.00 per kw-year. The total cost of transmission to Allegheny's member cooperatives was calculated to be $21.871 per kw-year.

PSB indicated that transmission losses would be 5 percent to the Vermont border and 2.6 and 5.5 percent of kwh and kw respectively, between the border and the distribution points. On cross-examination witness Rogers stated that Allegheny incurs transmission

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1/ ($126.00 - $113.30) (30,000kw) ÷ $403,000 = 95 percent.

2/ A breakdown of the respective costs per kw of $126 and the $113.30 shows that costs other than annual capacity costs are partially off-setting as follows:

	Allegheny Ex. 33	Vermont Ex. 72	Difference
Annual Capacity Costs	$94.43	$110.23	$15.80
Other Costs	$18.87	$15.77	(3.10)
Total Costs	$113.30	$126.00	$12.70
Capacity Costs are Products of			
Investment per kw	$700	$612	
Fixed Charge Ratio	0.1349	0.18012	

losses of 3 percent of kwh in New York and 5 percent of kwh between the New York border and the delivery points of Allegheny's member cooperatives. Staff witness Savage testified that transmission losses to the Vermont border are 66.7 percent greater than transmission losses to the Pennsylvania border. PASNY corroborates PSB's and Allegheny's transmission losses within New York at 5 and 3 percent, respectively. Thus, the percentage of kwh transmission losses between the Niagara Project and the distribution points average out to 7.6 for Vermont and 7.9 for Allegheny.

PASNY states that in any calculation of the savings to be achieved within each state from an allocation of Niagara Project power, the cost of transmission within the state would be a constant cost. Therefore, it contends the only transmission costs which are relevant in this proceeding, are the costs of transmission and losses within the State of New York for Niagara Project power and possibly the cost of transmitting alternative power to either Pennsylvania or Vermont.

In considering economic transmission distance it is logical to consider the distance between the Niagara Project and the preference customer's point of distribution. Since transmission losses are relevant to an economic determination, it follows that transmission losses should be measured for the entire distance rather than to the state line. When overall transmission losses to distribution points are considered it is seen that the difference between PSB and Allegheny is insignificant.

Beneficiaries of the 30 mw

Consideration is given in the record to the potential beneficiaries of Niagara Project power in Pennsylvania and Vermont. Witness Schultz testified that all the direct benefits of Niagara Project power accrue to residential and rural customers within the State of Vermont by means of PSB supervision over their rates. Rate benefits are made available to residential and rural consumers whether the distribution is by a privately-owned or publicly-owned distributor. 1/ Witness Stensrud also testified as to rate reductions resulting from the purchase of Niagara Project power. 2/ With respect to the allocation of PASNY power, witness Stensrud indicated that such power was allocated on a kwh basis rather than on a per customer basis.

1/ Exs. 12, 14 and 78. The few instances where the benefits were reflected by other means than rate reductions involved relatively small utilities, which either used the funds to strengthen their systems or had not had rate increases for many years.

2/ Tr. 91.

Allegheny's witness Rogers testified that power obtained by Allegheny is sold to its member cooperatives and is classified as seasonal and rural residential sales, public street and highway lighting sales, public authority sales and sales for resale. Allegheny notes that, while it makes no allocation of sales for industrial or commercial customers among its rural customers, there have developed commercial loads such as cross-road stores, schools, garages, gasoline stations etc. and a few small industrial loads. One such load identified in the record was a Tennessee Gas Pipe Line Co. 350 kw booster station. Allegheny experienced a reduction in overall expenses of approximately 3 percent when it first received Niagara Project power. Witness Rogers indicated that all customers of the cooperatives benefit irrespective of any rate change because such cooperatives are owned by the customers and any increased revenues ("margins") are allocated back to the customers. When the financial situation permits, these margins are refunded. 1/

Witness Savage testified that under PSB's proposed allocation of the 30 mw 76.7 percent would be allocated to privately owned systems, 16.3 percent to municipal systems and 7.0 percent to cooperatives. 2/ In Vermont 87.3 percent of all customers are residential and farm customers. Of these residential and farm customers, 78.4 percent are served by privately owned systems, 15.6 percent by municipal systems, and 6.0 percent by cooperatives. 3/ Allegheny, on the other hand, sells 88.9 percent of its power to residential and farm customers. 4/ Witness Savage also prepared an exhibit 5/ showing that, on the basis of out-of-state PASNY power 6/ in 1973 Vermont received an average of 6.3 mwh per residential and rural customer while Allegheny received an average of 4.8 mwh for the same customer classification. On the same basis, witness

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1/ All amounts received from the furnishing of electric energy in excess of operating costs and expenses are received from the members as capital. At the end of each year all such amounts in excess of expenses are credited to the capital account of each member and are returned in cash to the members when the cooperative is in a financial position to do so.

2/ Ex. 37.

3/ Ex. 46.

4/ Exs. 47 and 32.

5/ Ex. 77.

6/ Both Niagara and St. Lawrence project power. Tr. 977-78.

Savage showed that, if Allegheny is allocated the 30 mw, the average mwh per residential and rural customers would be 6.31 for both Vermont and Allegheny. He further stated that Vermont presently receives 30.8 percent more PASNY energy for each residential and rural customer than Allegheny. 1/

Allegheny in its reply brief takes strenuous exception to the implication that its rural commercial and industrial sales are not in compliance with the terms of the Act. The record fails to support any such implication. Those commercial and industrial sales referred to are small and rural loads that are very much a part of the customer service in a rural area. There has been no showing that the types of ultimate customers of Allegheny differ substantially from those served by the privately owned systems, municipals, and cooperatives to which PSB furnishes PASNY power. 2/

The record evidence with respect to beneficiaries of PASNY power fails to clearly favor either applicant. It would appear that both PSB and Allegheny contribute similarly to the implementation of the intent of the Act in their respective distribution of PASNY power.

Amp-Ohio's Claim

PASNY in its rebuttal brief asserts that Staff in arriving at its conclusions has ignored one of the considerations upon which PASNY based its decision to allocate 30 mw to Allegheny, to wit, that it would facilitate possible reallocation of the 30 mw to Ohio preference customers if they are able to resolve their wheeling difficulties.

Amp-Ohio in its brief states that on January 19, 1973, it filed an application with PASNY for 30 mw of Niagara Project power in competition with similar applications filed by Allegheny and PSB. During the pendency of the PASNY proceedings upon these applications, Amp-Ohio and Allegheny reached an agreement, signed October 8, 1974, which provides that when and if Amp-Ohio secures the necessary transmission facilities or contracts therefor Allegheny would relinquish all but 7,216 kw of the 30 mw allocation by PASNY. 3/ Amp-Ohio states that it has since diligently attempted to negotiate the necessary wheeling arrangements with Cleveland Electric Illuminating Company, the necessary link for delivery of PASNY power to the City of Cleveland, Ohio, but the negotiations have not proved fruitful to date. However, Amp-Ohio notes that it is pursuing the matter through the Anti-Trust Division of the

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1/ Tr. 976.

2/ Exs. 37, 46 and 47.

3/ Ex. 82.

Department of Justice. It states that its engineering consultants are confident that the City of Cleveland is within economic transmission distance of the Niagara Project and that such power can be economically and effectively utilized by Amp-Ohio member systems including the City of Cleveland. Amp-Ohio urges consideration of its contingent interests in this proceeding.

Conclusion

The evidence of comparative benefits offered by PSB, as well as by the other parties, does not provide a sufficient basis upon which to predicate the allocation of the 30 mw. It appears from the record that both PSB and Allegheny would be comparably benefited, especially after the first several years. Staff, a party without a direct interest in the determination of this issue which engaged in an extensive analysis of comparative benefits, states that the "allocation of the 30 mw to either PSB or Allegheny will result in substantially equal benefits to both applicants in 1980". Its conclusion that PSB should, nevertheless, be the recipient of the 30 mw, rests on highly tenuous grounds. Staff relies on four factors, i.e., regional reliability, power costs savings, transmission losses and ultimate customers, in support of its position that PSB would receive greater benefits than Allegheny in the years 1975 - 1979. As discussed supra, a review of these factors does not reveal significant differences in benefits clearly supporting an allocation to PSB rather than to Allegheny.

It is, therefore, necessary to weigh other factors which may tip the scales in considering the public interest. While the Commission in this proceeding has undertaken to consider the allocation issue de novo upon a comparative basis, it is not foreclosed from weighing other pertinent factors which were considered by PASNY in arriving at its determination to allocate the 30 mw to Allegheny. Indeed, it is only reasonable that contentions of PASNY, the agency charged by Congress with administering the preference provisions of the Act in the first instance, be given appropriate weight.

One of those factors which is most compelling here is the opportunity of making available a substantial portion of the 30 mw Allegheny allocation to Amp-Ohio at such time as wheeling arrangements are achieved. The possibility of making PASNY power available to the neighboring state of Ohio is an important consideration in the implementation of the provisions of the Act as evidenced by the numerous references to Ohio in the legislative history. Furthermore, there is evidence that New Jersey benefits in some measure from the allocation to Allegheny. 1/ Another factor considered by

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1/ PASNY power is not actually delivered to Allegheny's one member cooperative in New Jersey, however, to the extent that Allegheny is benefited by PASNY power its member cooperatives are also benefited.

PASNY is the relative magnitude of PASNY power already being sold to the applicants and the impact of the 30 mw sale upon existing allocations. 1/ It is reasonable to assume that in the allocation of preference power to neighboring states by PASNY, Congress did not intend substantially disproportionate allocations that favor one neighboring state within economic transmission distance, while excluding another, where similar benefits are to be realized.

It is concluded that PSB has not made a compelling showing that its customers and the ultimate consumers will derive greater benefits from the allocation of the 30 mw of preference power to it, rather than to Allegheny, or that the public interest will be better served thereby. On the contrary, it is found that the allocation of the 30 mw to Allegheny, thereby permitting a future reallocation to Ohio preference customers, is reasonable, in the public interest and consistent with the intent of the Act.

NIAGARA PROJECT POWER

Both the Act and the license provide that in the event of disagreement between the licensee and the power marketing agencies, the Commission is empowered to "determine and fix the applicable portion of power to be made available and the terms applicable thereto." At issue here is not how much power the project produces. The quantities of the different categories of power produced by the project and marketed by PASNY are a matter of record and are not disputed. The thrust of PASNY's position is that for a number of reasons all of the power produced by the project, or marketed by it, is not subject to the preference provisions of the Act. Its reasons are examined below.

Staff suggests that the proper focus for examining project power is the evidence bearing on the marketing of Niagara Project power, rather than simply the production of power at the Niagara Project. The legislative history appears to support the idea that project power is not wholly dependent upon the vagaries of Niagara river flows. 2/ The record shows, that excess energy

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1/ The allocation of 30 mw to PSB would have given Vermont 180 mw of PASNY preference power as compared to 100 mw for Pennsylvania.

2/ The House bill, H.R. 8643, was passed in lieu of the Senate bill, S. 2406, even though both bills were identical. U.S. Code Congressional and Administrative News, 85th Cong., 1st. Sess. 1585 (1957). The House Report, on this subject, contains this language:

> The proposal now contemplates a project with a total installed capacity of 2,190,000 kilowatts. Of this 1,800,000 will constitute firm power on a 17-hour day (contd.)

from the St. Lawrence Project is used to firm up commitments of the Niagara Project, particularly during the months of April and October. 1/ PASNY notes that the Niagara Project in turn assists the St. Lawrence Project during its minimum flow months. Staff's suggestion presents a reasonable basis for determining what portions of Niagara Project power should be subject to the preference provisions.

Project Power Definition

PASNY has put in issue the definition of the term "project power". In its brief PASNY takes the position that the term "project power" was intended by Congress to apply only to "firm power", citing passages from the House 2/ and Senate 3/ reports on the bill wherein references are made to firm power. PASNY maintains that if Congress had intended that the preference provisions

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2/(continued)

basis. It is anticipated that in order to achieve this amount of firm capacity, pump-storage and pump-generating facilities will be required. With an interconnection with the St. Lawrence project the total firm capacity during a 17-hour-day period would amount to 2 million kilowatts. H.R. REP. NO. 862, 85th Cong., 1st Sess. p. 7 (1957).

The Report further states,

> On this basis, if we assume that ultimately the Niagara project will produce some 2 million kilowatts of firm power, 1 million kilowatts would be subject to the preference provisions and 200,000 kilowatts would be available for neighboring States. Id. at 9 (emphasis added).

1/ Tr. 814-17, Item A, p. 13.

2/ H.R. Report No. 862, 85th Cong. 1st sess. (1957). S. Report No. 539, 85th Cong., 1st sess. (1957).

3/ S. Rep., pp. 3-5; H.R. pp. 5-7.

of the Niagara Redevelopment Act apply to both capacity and all the energy produced by the Niagara Project it would have adopted language similar to that found in the Flood Control Act of 1944, 1/ and in the St. Lawrence Project License. 2/ It would have required, PASNY asserts, that the Niagara Project "power and energy" or the Niagara Project "power capacity and power output" be subject to the preference provisions. PASNY further contends that the House Report refers to concern over the ability of PASNY to market bonds to pay for the project and that, therefore, it is reasonable to assume that Congress intended the preference provisions to apply only to "firm power", thus allowing PASNY flexibility in marketing other types of power in order to facilitate the financing of the project.

PSB counters that "project power" by plain definition means such power as is available from the project. It submits that had Congress intended to include only firm power it would have said so. PSB states that the inexorable logic of PASNY's position, is that PASNY has no obligation to make energy available and that its obligation is limited to making only capacity available for use in neighboring states. PSB further argues that even if one were to accept the premise that Congress intended "firm power" only, one would be forced to question how PASNY excludes from project power firm power at 12.5 percent energy load factor, i.e. firm peaking power or firm paragraph B peaking power 3/ which are firm power commitments.

Staff likewise maintains that "project power" is not limited to firm power. It argues that the use by Congress of the term "firm power" in committee reports indicates that it was familiar with the term and that in using "project power" in passing the Act, it intended something other than firm power.

PASNY's position on this issue is not persuasive. The legislative history makes references to 1,800,000 kilowatts of firm power and to two million kilowatts of firm power. It also refers to an installed capacity of 2,190,000 kilowatts of which 1,800,000 kilowatts would constitute firm power on a 17 hour-a-day basis. This would indicate that the total capacity of the project

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1/ Act of December 22, 1944, Ch. 665 58 Stat. 890, 16 USCA §825S.

2/ Article 28, FPC Project No. 2000, 12 FPC 172, 192-93.

3/ Discussed infra p. 28.

was contemplated to be somewhat greater than firm power. While certain assumptions with respect to the power available for allocations to neighboring states are referred to in terms of firm power, there is nothing in the legislative history indicating that the project power to be made available to preference customers was to be limited to firm power. It is evident that the general intent of the Act was to make 50 percent of the power from the Niagara Project available to preference customers. The minority views expressed by Senator Richard C. Newberger of Oregon provide an insight into what was intended. He stated:

> The committee bill embodies a basic contradiction. On the one hand, it earmarks 50 percent of the power for preference customers. This in itself is a departure from customary full preference, but I believe it is supportable in the Niagara area. However, even the 50 percent that the bill gives with one clause it takes away with another. The effectiveness of the 50 percent reservation is vitiated by another clause which limits to 20 percent of the 50 percent (or 10 percent of the total) the amount of power which can be marketed to preference customers outside the borders of New York State. 1/

On the basis of the plain intent to make 50 percent of project power available to preference customers, it cannot reasonably be argued that something less than 50 percent of the power derived from the Niagara Project should be made available to such customers because a particular category of power devised and offered for sale by PASNY is not specifically referred to in the legislative history. Such a result would ignore the statutory purpose of the Act. Cf. S.E.C. v. Ralston Purina Co., 346 U.S. 119, 124 (1953).

The preference issue received much attention in Congress. If Congress had intended the preference provision to apply only to "firm power" it would undoubtedly have imposed such a limitation. In the absence of a showing in the legislative history of such a limitation, effect must be given to the plain meaning of the Act. See Labor Board v. Jones & Laughlin Steel Corp., 301 U.S. 1, 30 (1937); United States v. Menasche, 348 U.S. 528, 538-39 (1955).

Lewiston Pump-Generating Plant

PASNY contends further that Congress did not indicate that the peaking output of the Lewiston Pump-Generating Plant was to be subject to the preference provision of the Act. As noted by Staff in its reply brief, Congress likewise did not specifically

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1/ S. Report No. 539 supra, p. 11.

indicate that the output of the Robert Moses Niagara Power Plant or any of the 25 individual generating units at the project would be subject to the preference provision. Congress did say:

> The Federal Power Commission is expressly authorized and directed to issue a license to the Power Authority of the State of New York for the construction and operation of a power project with capacity to utilize all of the United States share of water of the Niagara River permitted to be used by international agreement. 16 U.S.C. §836(a).

It is apparent that Congress authorized and directed the Federal Power Commission to license one project to utilize all of the United States share of the waters of the Niagara River. The Lewiston Pump-Generating Plant is licensed as part of the Niagara Project. Moreover, the legislative history indicates that it was anticipated that pump-storage and pump-generating facilities would be required to achieve 1,800,000 kilowatts of firm capacity. H.R. Rep. No. 862. Thus, there is no basis for excluding power produced by the Lewiston Pump Generating-Plant from the preference provisions of the Act.

Project Capability, Generation, and Sales

The capability of the Niagara Project, a hydroelectric facility, to generate power is dependent upon the capacity of the generating units and how much water flows through the project. The normal net plant capability under the most favorable operating conditions is 2,615 mw. 1/

1/

Description	Total	Moses Plant	Lewiston Plant
Number of units		13	12
Unit capacity - mw			
Nameplate		150	20
Operating		175	28.33
Total capacity - mw			
Nameplate	2,190	1,950	240
Operating	2,615	2,275	340

Tr. 101-02; Tr. 108-09; Ex. 60.

PASNY and Staff apparently agree that the dependable capacity of the Niagara Project evaluated in the context of the New York Power Pool under adverse flow conditions is 2400 mw as consistently used in reports to the Commission by PASNY. Fluctuating quantities of water flowing through the project over the years have resulted in variations of average annual project capabilities 1/ and average annual generation. 2/

As of September 1, 1974, PASNY made the following sales in kilowatts to three private utilities as shown in Exhibit 4.*

From Niagara Power Project	To NMPC	To NYSEG	To RG&E	Combined
Non-withdrawable Firm	250,000	220,000	130,000	600,000
Withdrawable Firm	105,000	83,000	27,000	215,000
Replacement Power	445,000	--	--	445,000
Expansion Power	233,500	13,250	--	246,750
Interim Industrial Power	38,600	--	--	38,600
"A" Peaking Power	108,000	92,000	--	200,000
"B" Peaking Power	86,000	74,000	40,000	200,000
	1,266,100	482,250	197,000	1945,350

* See footnote on page 28 for names of utilities.

1/ Ex. 57 shows the following capability data separately for the Moses and Lewiston Plants for 1963 - 1970:

Year	Moses Plant	Lewiston Plant
1963	2,047mw	219mw
1964	2,127	237
1965	2,301	290
1966	2,337	304
1967	2,375	273
1968	2,396	315
1969	2,396	315
1970	2,379	315

Ex. 57 shows total capabilities for 1971-73:

1971	2,546mw
1972	2,623
1973	2,626

2/ Ex. 56 shows average annual generation at the Moses Plant as follows:

Year	(mwh)
1963	1,199
1964	1,111
1965	1,262

(contd.)

As shown in Exhibit 4, as of September 1, 1974, PASNY had contracts for the sale of 339 mw to preference customers both in and out of New York State. In addition, it sells 215 mw to those New York utilities on a withdrawable firm basis to permit future allocation to preference customers.

Categories of Power

There is no question that 1800 mw of firm power is available for an allocation of 10 percent to out-of-state preference customers. 1/ Staff contends that, in addition, there is 80 mw of firm power, as well as 200 mw of firm peaking power (12.5% load factor); 200 mw of currently available firm paragraph B peaking power (12.5% load factor); and all peaking interchange power not made available to other PASNY projects. It urges that 10 percent of all these categories of power should be made available to out-of-state preference customers. PSB takes the position that PASNY has a minimum of 2400 mw available, at times exceeded by about 200 mw, and that 10 percent thereof should be made available to out-of-state preference customers.

PASNY shows that it currently makes sales in these categories. It argues that Staff's approach does not take into account the utility of power other than firm power, the costs of delivery, the benefits which out-of-state preference customers might obtain from non-firm power or the relationship between the marketing of non-firm energy (including peaking interchange) and PASNY's marketing arrangements for other classes of power. PASNY further asserts that Staff's approach is contrary to the marketing plan for Niagara Project power which was presented to Congress by PASNY and which was before Congress when it passed the Act. 2/ Neither the Act nor the legislative history indicate that the preference provisions are tied to the PASNY statement cited. The various categories referred to are hereinafter examined.

2/(contd.)	1966	1,425
	1967	1,527
	1968	1,649
	1969	1,794
	1970	1,682
	1971	1,696
	1972	1,831
	1973	2,016

1/ PASNY states that it has actually made 182,631 kw available to out-of-state preference customers.

2/ Hearings before a subcommittee of the Committee on Public Works, U.S. Senate 85th Cong., 1st Sess. on S. 512 and S. 1037, April 10, 11, 12, 13, 1957, pp. 69-79.

Additional 80 mw of Firm Power

It is asserted by Staff and PSB that for marketing purposes within New York, the 1800 mw is increased by 80 mw because the actual total coincident peak requirements of the project are generally 80 mw less than the total amount of firm power PASNY has contracted to sell. PASNY states that this 80 mw is made possible by diversity in the loads of New York municipal and cooperative customers amounting to approximately 50 mw. Since Vermont and Allegheny contribute nothing to the diversity, PASNY contends that there is no reason they should share in any portion of the extra 80 mw made possible by diversity.

PASNY introduces a criterion with respect to this 80 mw that has no basis in the Act. When the Act was enacted there was no way of knowing the diversity contributions of any out-of-state preference customers. Moreover, there is no reason to assume that either Allegheny or Vermont will be the recipients of such additional project power. The 80 mw is a legitimate part of the project power and, therefore, 10 percent thereof should be made available to out-of-state preference customers.

Firm Peaking Power

In addition to firm power, PASNY has contracted to sell 200 mw at 12.5 percent load factor to three New York State utilities.1/ PASNY argues that the advantage of such power to either Vermont or Allegheny is questionable and not set forth in the record. It notes that the cost of transmission to the Vermont state line at an annual transmission charge of $10.50 per kilowatt year and 5 percent losses would bring the costs to approximately $23.70 per kilowatt year plus 2.8 mills per kwh, equaling about 25.4 mills per kwh. It would be only slightly less to the Pennsylvania state line. PASNY, therefore, questions whether the delivery of power at 24.5 mills per kwh constitutes a "use within reasonable economic transmission distance in neighboring States" as contemplated by the Act. It compares the 24.5 mill cost to a cost of 13.6 mills per kwh to New York customers at the Niagara switchyard. Accordingly, PASNY concluded that 10 percent of this power is not part of the "reasonable portion" of preference power required to be out-of-state.

PASNY's argument is made on the assumption that the firm peaking power in question would go to PSB or to Allegheny. However, the issue of what properly constitutes project power must be determined independently of any future allocations. The

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1/ Niagara Mohawk Power Corporation, Rochester Gas and Electric Corporation and New York State Electric & Gas Corporation. This category is also referred to as paragraph A peaking power.

question of whether a particular out-of-state applicant is within economic transmission distance would arise only upon the filing of an application. It is entirely possible that a given applicant for such power may show it is within economic transmission distance.

PASNY further questions the reasonableness of causing it to abrogate contracts, entered into in 1961 and to run until 1990, with the three upstate utilities in order to make 20 mw of such power available out-of-state. PASNY's ability to contract for the sale of Niagara Project power to these utilities is subject to the provisions of the Act and its license. The consequences of compliance therewith, as may be ordered herein, does not bear on the determination of project power issue. As for the effects upon PASNY's New York customers of a finding which enlarges the amount of project power to be diverted to out-of-state preference customers, they will be dealt with infra.

Paragraph B Peaking Power

PASNY takes issue with the 200 mw of power characterized by Staff as "currently available firm paragraph B peaking power (12.5% load factor)" and which Staff maintains is part of project power. 1/ PASNY asserts that this is not firm power since it is under no obligation to provide it if river flows are not adequate to generate it. In any case, it notes that its limited commitment to supply it expires in a few months. It argues that this class of power would be less useful to neighboring preference customers than the firm peaking power because, since it is non-firm, the purchaser could not avoid the installation of redundant capacity to protect against the one year out of four that paragraph B peaking power would not be available.

Again the concern is whether the power in question is part of project power to be made available, rather than whether a particular out-of-state applicant may wish to apply for an allocation of such power. It may very well be that there would be no applicants which would find such power useful under the circumstances. But the question remains whether as part of project power it should be offered for sale. It is found that such power is part of the project power, and, therefore, 10 percent thereof should be offered for sale to out-of-state preference customers.

1/ This is peaking power supplied under paragraph B of PASNY's contracts. It is energy delivered in excess of contract requirements on an as-available basis and withdrawable when PASNY decides to do so. (Tr. 121-22).

Peaking Interchange

Another power category at issue is that denominated "peaking interchange." 1/ PASNY explains that its strategy in marketing energy in excess of minimum firm energy obligations has been to coordinate the sale of such excess energy with the procurement of supplemental energy which is needed to support firm loads during low flow periods. PASNY had an understanding with the three utilities purchasing Niagara power that it could require them to return 1.3 kwh of energy to the Project in off-peak periods for each kwh of peaking interchange supplied to them from the Project. Due to high river flows in recent years, however, the utilities built up a substantial debt to PASNY in kwh. As a result, PASNY has sold the peaking interchange to the utilities for the past few years rather than adding further to their obligation to return kwh to PASNY.

PASNY argues that in order to utilize this energy most efficiently it must have flexibility to dispose of peaking energy quickly and conveniently on short notice. It contends that, if such project power were required to be offered to all preference customers, it would immediately double from three to six the number of customers that would have to be contacted. In the future, it maintains the number of such customers would be virtually limitless. 2/ PASNY states that additional personnel would be required to handle peaking interchange transactions. More importantly, it asserts that it might prove to be impossible, because

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1/ "Peaking interchange" has been so designated because it is normally made available in peak hours by diverting water in off-peak hours into the storage reservoir and sold at a premium because of the additional cost of such storage.

2/ In support PASNY indicates the following: Sections 1001, 1005, subd. 6 of the Public Authorities Law contemplate that the Authority's New York preference customers be supplied with power from the Authority's FitzPatrick Nuclear Plant when Niagara and St. Lawrence power is no longer available. PASNY is presently considering applications from two relatively large and one small Long Island municipal electric systems which do not now receive Authority power. In addition, the Town of Massena has voted to condemn Niagara Mohawk's facilities within the Town and has notified the Authority that it intends to establish a municipal electric system and to apply for Authority power and the Counties of Erie (City of Buffalo) and Niagara (City of Niagara Falls) are studying the possibility of establishing public electric distribution systems and applying for Authority power. Four other small New York municipalities which do not now purchase Authority power have either applied for power or indicated a firm interest in doing so.

of time constraints and administrative complications, to dispose of peaking interchange energy in accordance with PASNY's present policy which is "to maximize the amount of energy produced during periods of peak demand while minimizing the waste of water available for power production consistent with meeting the Authority's minimum contract obligations."

Staff takes the position that PASNY should not be required to make up the 10 percent of the peaking interchange produced at the project available for out-of-state allocation. To require PASNY to do so might impair its use of Niagara peaking interchange to meet contract commitments at its other facilities. Just as other PASNY facilities supply peaking interchange to the Niagara Project to maximize Niagara's firm capacity, so also should Niagara peaking interchange be used to maximize firm capacity at other PASNY facilities. To the extent that peaking interchange produced at the Niagara Project is sold to non-PASNY entities, however, Staff urges that PASNY be required to make up to 10 percent of the power which is sold available to out-of-state customers.

Staff's position has merit. When peaking interchange is offered for sale to non-PASNY entities, there is no valid reason that it should not be offered to preference customers. The contentions made by PASNY regarding the actual mechanics of disposition of such power do not appear insurmountable and are not found to be a sufficient basis for exempting the peaking interchange available for sale from its inclusion as project power. In any case, it is premature to pass upon the problems that may arise with respect to the sale of such power to a preference customer. When an application is made for such power, PASNY will have ample opportunity to determine whether or not the preference customer is in a position to utilize the power upon short notice. A potential customer's inability to do so would presumably affect PASNY's action on the application.

Load Factor

Staff asserts that the 1880 mw of Niagara Project firm power is available at a load factor of approximately 75 percent and, therefore, out-of-state preference customers should be supplied at that load factor.

PSB maintains that PASNY has failed to provide firm power to it at 100 percent load factor in accordance with its contract, without a determination that there is an insufficient supply of firm energy under Article 1, Section 3 of the contract. 1/ PSB currently receives power from PASNY at an average load factor of about 70 percent. PSB states that 100 percent of the energy can be furnished in at least seven out of ten years.

1/ Ex. 10, Tr. 884.

PASNY claims that these load factor arguments completely ignore the fact that Congress in the Act required PASNY to furnish 445 mw of Niagara power to Niagara Mohawk to replace the power which Niagara Mohawk gave up the right to produce by surrendering its license for the older developments on the Niagara River which produced power at a load factor of approximately 95 percent. This reduces the average load factor at which the remaining Niagara Project firm power is made available to approximately 71 percent based on a coincident peak load of 1800 mw or to approximately 67 percent based on a non coincident peak load of 1880 mw which brackets the load factors at which Vermont and Allegheny are presently supplied with Niagara Project power.

Additionally, PASNY notes that under New York Public Authorities Law 1/ it is authorized, from the 50 percent of Niagara Project power not subject to the preference provisions, sales to industry for the purpose of securing "a sufficiently high load factor and revenue returns to permit domestic and rural use at the lowest possible rates (i.e. expansion power). It states that 197 mw are sold to industry for that purpose at a 95 percent load factor and thus a total of 642 mw represents power which it is not required to make available to preference customers. PASNY states that because of its obligation to supply 642 mw of replacement and expansion power at 95 percent it would make it impossible to supply Vermont at 100 percent or to supply 1880 mw of firm power at an average of 75 percent load factor as advocated by Staff, without discriminating against other preference customers 2/ and the people as consumers.

PASNY's position with respect to the load factor at which it serves its preference customers is reasonable. Service at 100 percent load factor for 1880 mw firm power would be impossible, since there would not be enough energy (water) available on a 24-hour-per-day basis. 3/ While neither the Act nor the license prescribes a load factor at which preference power is to be made available the legislative history refers to the availability of firm power on the basis of 17 hours per day. This represents a load factor of approximately 71 percent. Service to out-of-state preference customers at their average system load factor which apparently has been the case since 1969 provides for an equitable discharge of PASNY's obligation under the Act. Neither Staff nor PSB show how a revision of the load factors presently utilized by PASNY is necessitated by the terms of the Act. As for the energy which may

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1/ §§ 1005, Subd. 5.

2/ PASNY's New York preference customers are currently served at about a 60 percent load factor.

3/ Ex. 25.

be available in some years over and above that required to meet 1880 mw of firm power and other commitments comprising project power, 10 percent thereof would be available to out-of-state preference customers in the various power categories. Accordingly, Staff's proposed 75 percent as well as PSB's 100 percent load factors are rejected.

Allocation of Project Power Over 180 mw

In its brief PSB requests that additional quantities of power above 180 mw found available for allocation to out-of-state preference customers be allocated to it. 1/

Staff takes the position that, in view of the number of parties that may be interested in the additional Niagara Project power, no disposition thereof should be made in this proceeding.

From PSB's initial complaint, as amended, it appears that allocations of specific amounts of power over the 180 mw to particular preference customers were not placed in issue. The Commission's order setting the case for hearing addresses only the 30 mw allocation issue and the project power issue. It does not direct that a determination of specific allocations above the 180 mw be undertaken in this proceeding.

This is consistent with the Act, as well as the license, which provides in pertinent part that the Commission will act only in the event of a disagreement between the licensee and the power-marketing agencies of the neighboring states. In view of the fact that the power marketing agencies have not had an opportunity to file applications with PASNY for the quantities of project power to be made available pursuant to the order herein, and that PASNY has not made an initial determination thereon, it would be contrary to the Act and the license and wholly inappropriate for such specific allocations to be made in this proceeding. In any event, since additional allocation issues were not tried in this proceeding there would be no evidentiary support for a determination thereof.

1/ By letter to the Administrative Law Judge, dated May 2, 1975, with copies to all parties, PASNY has made available correspondence from PSB to PASNY and from PASNY to PSB with reference to a request by PSB for additional PASNY power and service at 100 percent load factor.

New York State Public Service Commission

NYSPSC's participation in this proceeding primarily concerns the project power issue. NYSPSC supports PASNY's position that the sale of 180 mw of Niagara Project power to out-of-state preference customers fully satisfies its obligations under the Niagara Redevelopment Act. It contends that there is no implication in the Act that the amount of power required to be diverted should be the maximum allowed by the Act. This contention would imply that the 180 mw of out-of-state preference power already diverted is something less than the maximum allowed by the Act. With respect to whether the maximum allowed by the Act is actually required, though the Act does not speak in terms of a required maximum, it does say that no more than the 20 percent maximum may be required. It may, therefore, be reasonably inferred that something up to the maximum up to 20 percent may be required. Moreover, the provision of the Act which requires licensee to make "flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers", would strongly indicate that the requirements of the preference customers were expected to grow to a point at which the 50 percent limitation for all preference customers and the 20 percent limitation for out-of-state customers would apply. The requirements of out-of-state preference customers appear to be at a point where they are able to take their full entitlement of Niagara Project power. Under consideration here is what the maximum out-of-state preference power should be.

NYSPSC further argues that there are sound operating reasons for diverting only firm power out of New York and that there is no showing in this record that diversion of peaking power to PSB rather than keeping it in New York would be in the public interest. First the project power issue is not tied to a diversion to PSB. Secondly, it is late to argue that diverting 10 percent of Niagara Project power to an out-of-state preference customer within economic transmission distance is not in the public interest. Congress has already determined that such a diversion is in the public interest in enacting the legislation. Of concern in this proceeding is to what extent has the Act been implemented. As found supra, there are additional quantities of power, comprising Niagara Project power under the Act that should be made available to out-of-state preference customers who in turn will make such power available "to the people as consumers".

NYSPSC opposes additional out-of-state diversions of power contending that it will further raise electric rates for New York State ratepayers. It offered the testimony of witness Tarler who showed that an additional diversion of 30 mw of firm power at a

70 percent load factor will result in added costs to New York State utilities and hence ratepayers ranging from $3,858,125 to $6,268,253. 1/ This is based upon the installation of additional oil fired capacity. If an additional 30 mw of peaking power is diverted, costs to New York state ratepayers would be increased proportionately. At a load factor of 12.5 percent (the same as presently sold by PASNY for paragraphs "A" 2/ and "B" peaking power energy) and capacity costs will be increased by $1,500,000 to $1,837,000 3/. Mr. Tarler calculated that 345,000 barrels of oil would be needed annually to generate 30 mw of firm power at a 70 percent load factor while 91,000 barrels of oil would be needed to generate 30 mw of peaking power at 12.5 percent load factor. 4/

NYSPSC asserts that residential customers being the chief beneficiaries of Niagara Project power, will be hurt if additional power is diverted to neighboring states. It further contends that additional diversion will result in New York residents' subsidizing rates in neighboring states.

While it is true that Niagara Project power diverted to neighboring states would no longer be available to New York customers, it has not been shown that this would have a direct impact upon New York customers. When compared to the total capacity of the New York Power Pool, 5/ the impact of the additional amounts of power in question would be de minimis. The quantities in question may well be offset by the available reserves within the Pool. Assuming that new capacity is required 6/ to provide the limited quantities of power involved, the rate impact within New York would be insignificant.

NYSPSC's position overlooks PASNY's obligation to comply with the preference provisions of the Act which are of long standing. Those utilities which purchased Niagara Project power under withdrawal provisions were undoubtedly aware of PASNY's obligations to out-of-state preference customers under the Act. It may not now reasonably be argued on their behalf that PASNY should be excused from its obligations under the Act because giving up additional quantities of Niagara Project power may require the substitution of more costly power.

1/ Tr. 693.

2/ Firm peaking power available at 12.5 percent load factor. Tr. 121.

3/ Tr. 696.

4/ Exhibit 84 contains a calculation showing increased energy costs based upon a mix of oil and coal fired generation.

5/ 26,000 mw.

6/ Exhibit 85 shows the carrying charge for 30 mw of new capacity.

Environmental Considerations

NYSPSC asserts in its brief that a decision by the Commission which would require the diversion of additional Niagara Project power from New York State to neighboring states would clearly constitute a major Federal action significantly affecting the quality of the human environment and, therefore, require the preparation of an environmental impact statement pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969 (NEPA) and further hearings thereon. PASNY adopts a similar position. The contentions of NYSPSC and PASNY are found to be without merit.

The provisions of NEPA are interposed in support of a desired exemption from the requirements of the Niagara Redevelopment Act which antedates the enactment of NEPA. Section 104 of NEPA provides that the Act does not eliminate any duties already imposed by other "specific statutory obligations". As held in Calvert Cliffs Coordinating Committee v. AEC, 449 F. 2d 1109, 1115, the provisions of NEPA "must be complied with to the fullest extent unless there is a clear conflict of statutory authority". The parties urging compliance with NEPA have not offered any valid reason for disregarding the specific statutory obligations under the Niagara Redevelopment Act.

On the contrary, as shown herein with respect to the 30 mw issue, the impact of the diversion of the additional quantities of power in question on the power supplies within the New York Power Pool would be de minimis. If replacement power were required, there is no reason to assume, as witness Tarler has done, that such power would be obtained from fossil fuel generation rather than from nuclear generation or other less polluting sources of generation, or that such generation would necessarily have an adverse environmental impact. Accordingly, there is no basis for concluding that the Commission's action with respect to the determination of "project power" under the Act, represents a major Federal action significantly affecting the quality of the human environment.

Furthermore, a determination of the environmental impact resulting from possible future diversions of additional Niagara Project power, as determined herein, would not only be premature but highly speculative. The mere determination of what constitutes project power under the Act for out-of-state allocation does not represent a tangible proposal having a potential environmental impact until a particular applicant has made a specific application to PASNY for initial determination. In that event, PASNY would be in a position to consider any environmental issue raised with respect to such an out-of-state diversion. In the absence of a disagreement between the applicant and PASNY resulting in a

complaint to this Commission, there would be no case before the Commission requiring a Federal action.

It is, therefore, concluded that the establishment herein of PASNY's obligation under its license with respect to availability of project power to preference customers in neighboring states does not require compliance with NEPA.

ADDITIONAL FINDINGS AND CONCLUSIONS

Upon consideration of the entire record in this proceeding, the evidence adduced, and the briefs filed, it is found and concluded, in addition to the findings and conclusions hereinabove stated, that:

(1) PASNY is a licensee for FPC Project No. 2216 and subject to the jurisdiction of the Commission.

(2) The allocation of 30 mw of Niagara Project power to Allegheny by PASNY is consistent with the provisions of the license, the Act and the public interest.

(3) The Niagara Redevelopment Act and the License for Project No. 2216 require PASNY to make available up to ten percent of Niagara Project power to out-of-state preference customers. Project power for purposes of compliance with the Act and the license comprises those categories of power, as found herein, irrespective of any future modifications of such categories.

ORDER

WHEREFORE, IT IS ORDERED, subject to review by the Commission on appeal, or upon its own motion as provided in the Commission's Rules of Practice and Procedure, that:

(A) The allocation of 30 mw of Niagara Project power sought by PSB in its complaint be and is hereby denied.

(B) PASNY shall, in compliance with the terms of its license and the Niagara Redevelopment Act, forthwith make up to ten percent of all project power, as found herein, available for sale to out-of-state preference customers.

Michel Levant
Presiding Administrative Law Judge

APPENDIX A

Statute and License Provisions

The following provisions of the Niagara Redevelopment Act and of the license for Project No. 2216 are pertinent to a determination of the issues herein.

Act

(1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural customers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance. In any case in which project power subject to the preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.

(2) The licensee shall make a reasonable portion of the project power subject to the preference provisions of paragraph (1) available for use within reasonable economic transmission distance in neighboring States, but this paragraph shall not be construed to require more than 20 per centum of the project power subject to such preference provisions to be made available for use in such States. The licensee shall cooperate with the appropriate agencies in such States to insure compliance with this requirement. In the event of disagreement between the licensee and the power-marketing agencies of any such States, the Federal Power Commmission may, after public hearings, determine and fix the applicable portion of power to be made available and the terms applicable thereto: Provided, That if any such State shall have designated a bargaining agency for the procurement of such power on behalf of such State, the licensee shall deal only with such agency in that State. The arrangements made by the licensee for the sale of power to or in such States shall include observance of the preferences in paragraph (1) of this subsection.

Articles 20 and 21 of the license are restatements of paragraphs (1) and (2), respectively, of the Act.

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ENCLOSURE NO. 5

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

NIAGARA REDEVELOPMENT ACT

Before Commissioners: Richard L. Dunham, Chairman; Don S. Smith, John H. Holloman III, and James G. Watt.

State of Vermont Public Service Board	)	Docket No. E-8746
v.	)	
Power Authority of the State of New York	)	

ORDER AFFIRMING INITIAL DECISION

(Issued March 12, 1976)

This proceeding grows out of a complaint filed by the State of Vermont Public Service Board (PSB) on April 22, 1974, as amended June 6, 1974. PSB alleges that 30 megawatts (mw) of power from the Power Authority of the State of New York's (PASNY) Niagara Project No. 2216[1] should be allocated to PSB rather than to Allegheny Electric Cooperative, Inc. (Allegheny) and that the Niagara Project has more power for allocation to out-of-state preference customers than the 180 mw presently made available by PASNY to such customers pursuant to the terms of its license and the Niagara Redevelopment Act (Act).[2] This Act sets forth certain conditions which were to be incorporated in a license which the Commission was directed to issue to PASNY.

1/ 19 F.P.C. 186 (1958).

2/ 16 U.S.C. §836 (1957). The following provisions of the Act which are pertinent to a determination of the issues herein are quoted in full:

> (b) The Federal Power Commission shall include among the licensing conditions, in addition to those deemed necessary and required under the terms of the Federal Power Act, the following:
>
> (1) In order to assure that at least 50 per centum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural customers, to whom such power shall be made available

(footnote continued on next page)

In the event of a disagreement over PASNY's allocation of power to out-of-state preference customers, this Commission is

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[footnote continued]

> at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 per centum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance. In any case in which project power subject to the preference provisions of this paragraph is sold to utility companies organized and administered for profit, the licensee shall make flexible arrangements and contracts providing for the withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers.
>
> (2) The licensee shall make a reasonable portion of the project power subject to the preference provisions of paragraph (1) available for use within reasonable economic transmission distance in neighboring States, but this paragraph shall not be construed to require more than 20 per centum of the project power subject to such preference provisions to be made availabe for use in such States. The licensee shall cooperate with the appropriate agencies in such States to insure compliance with this requirement. In the event of disagreement between the licensee and the power-marketing agencies of any such States, the Federal Power Commission may, after public hearings, determine and fix the applicable portion of power to be made available and the terms applicable thereto: Provided, That if any such State shall have designated a bargaining agency for the procurement of such power on behalf of such State, the licensee shall deal only with such agency in that State. The arrangements made by the licensee for the sale of power to or in such States shall include observance of the preferences in paragraph (1) of this subsection.

Articles 20 and 21 of the license are restatements of paragraph (1) and (2) respectively.

authorized to "fix the applicable portion of power to be made available and the terms applicable thereto." 3/

By our order of August 23, 1974 the matter was set for hearing and interventions were granted to Allegheny, American Municipal Power-Ohio, Inc. (AMP-Ohio) and the New York State Public Service Commission (NYPSC). We also denied motions by Allegheny and AMP-Ohio for dismissal of the complaint and a motion by PSB for a stay of performace of the contract by which PASNY allocated 30 mw of Niagara power to Allegheny. We further deferred ruling on a PASNY motion to limit the issue in this proceeding to that of the proper allocation of the 30 mw for future consideration as the relevant facts became known during the course of the proceeding. Although PASNY did not renew its motion in its Reply (Initial) or Rebuttal briefs, it has attempted to do so in its Brief on Exceptions. A hearing was held in November and December, 1974. Briefs were timely filed and the Initial Decision was issued May 15, 1975.

PSB is the utility regulatory and planning agency of the State of Vermont. In addition, it has been authorized by the Vermont legislature to be the power marketing agency of the State of Vermont and is designated as the agent of the State of Vermont for the procurement of electrical energy from PASNY as well as from other sources. In furtherance of its responsibilities it has contracted with PASNY to purchase St. Lawrence Project 4/ power and Niagara Project power.

Allegheny is a non-profit member cooperative formed under the Electric Cooperative Corporation Act of the Commonwealth of Pennsylvania 5/ to obtain the lowest possible wholesale cost for electric power for its members. It is owned and controlled by its fourteen members. These member distribution cooperatives operate electric distribution systems in rural areas. Thirteen of the members operate in Pennsylvania and one in New Jersey. The Pennsylvania members are incorporated under the same Act as Allegheny and are also non-profit member owned cooperatives.

3/ 16 U.S.C. §836(b)(2).

4/ Project No. 2000, 12 F.P.C. 172 (1953).

5/ 15 P.L. 124, et seq.

Upon learning that PASNY was willing to allocate an additional 30 mw of power, Allegheny, together with PSB and AMP-Ohio, filed formal competing applications with PASNY during 1973. After proceedings before PASNY and approval by the Governor of New York, an amendment to its contract, dated August 23, 1974, increasing the contract from 100 mw to 130 mw, was executed by PASNY and Allegheny. The delivery to Allegheny of the additional 30 mw commenced on September 1, 1974.

PASNY is a corporate municipal instrumentality created by the laws of the State of New York and as such is a public body with governmental and public powers. PASNY has major hydroelectric projects on the St. Lawrence and Niagara Rivers. It operates under the direction of five trustees who have the duty, inter alia, to assure that sales are made from the Niagara Project in a manner consistent with the Act and its license issued by the Commission in 1958.

AMP-Ohio is a non-profit corporation organized and existing under and pursuant to the General Corporation Act of Ohio. The Corporation was formed on behalf of its forty members, each of which is a municipality and a public agency of the State of Ohio which owns and operates a municipal electric system.

During the pendency of the PASNY proceedings upon these applications, AMP-Ohio and Allegheny reached an agreement (Exhibit 82), signed October 8, 1974, which provides that when and if AMP-Ohio secures the necessary transmission facilities or contracts therefor Allegheny would relinquish all but 7,216 kw of the 30 mw allocation by PASNY. AMP-Ohio states that it has since diligently attempted to negotiate the necessary wheeling arrangements with Cleveland Electric Illuminating Company, the necessary link for delivery of PASNY power to the City of Cleveland, Ohio, but the negotiations have not proved fruitful to date. However, AMP-Ohio notes that it is pursuing the matter through the Anti-Trust Division of the Department of Justice. It states that its engineering consultants are confident that the City of Cleveland is within economic transmission distance of the Niagara Project and that such power can be economically and effectively utilized by AMP-Ohio member systems including the City of Cleveland. AMP-Ohio urges consideration of its contingent interests in this proceeding.

The New York State Public Service Commission (NYPSC) filed a notice of intervention in this proceeding in order to protect the interests of New York consumers on the matter raised by PSB that additional power from the Niagara Project should be allocated to out-of-state customers by PASNY.

The principal issues raised by PSB in its complaint and set for hearing are first, which of the competing applicants should receive the 30 mw of Niagara Project power, and second, what comprises Niagara Project power under the Act from which allocations are to be made to preference customers in neighboring states. Judge Levant found that the 30 mw should be allocated to Allegheny. Further, he decided that Niagara Project power under the Act was not limited to firm power but includes all power produced and marketed by PASNY from the Niagara Project. Based upon the record in this proceeding, including the Briefs on Exception and Briefs Opposing Exceptions, we have concluded that the Initial Decision is correct and thus must be affirmed.

We turn now to a discussion of the issues. On its face the Act does not specify what states are neighboring states eligible for Niagara power. The parties rely on the legislative history of the Act for their positions that Vermont is or is not included. Many times in the legislative history Ohio and Pennsylvania are named as potential recipients of Niagara power. In two instances, however, the New England area and Massachusetts specifically are referred to as potential beneficiaries (I.D., p. 9). Our reliance on the legislative history, however, is complicated by the fact that many of the hearings and debates are related to bills which did not become the Act. In fact, the bill finally enacted (S.2406) was a compromise bill. Among the primary issues resulting in a need for a compromise were precisely the preference and out-of-state allocation provisions (I.D., p. 8).

In view of the fact that the literal language of the Act is not restrictive of the term "neighboring states", that the legislative history clearly favors no particular state(s),

and that the Act requires the power to be made available "in such manner as to encourage the widest possible use," 6/ we agree with the Administrative Law Judge that we should follow the plain meaning of the language. This clearly would include Vermont as a neighboring state of New York. Furthermore, we note that Congress could have specifically designated Ohio and Pennsylvania in the Act as sole recipients of Niagara power, but did not do so. 7/ The arguments of Allegheny and PASNY in this matter are not persuasive.

Further, with respect to Vermont's eligibility to receive this power, the Act directs PASNY in disposing of half of the project power to "give preference and priority to public bodies and non-profit cooperatives." 8/ Allegheny admits PSB is a public body but then argues that PSB should not receive power as a preference customer because it sells approximately 80 percent of its Niagara power at wholesale to non-preference customers. Allegheny further disputes PSB's showing that PSB prevents, through its regulatory powers, utility companies from making a profit on Niagara power. Allegheny simply states it is not convinced PSB ensures that all the benefits of Niagara power flow to the consumers. The Act does not preclude distribution of Niagara power through investor owned utilities to those intended to be benefited. The Administrative Law Judge found that there exists ample support in the record that the ultimate consumer in Vermont is benefited through rate reduction (I.D., p. 10). We believe he was correct and that Allegheny's argument is strained and unpersuasive in view of the plain reading of the Act and PSB's rate reduction technique.

No applicant for the 30 mw claims a present critical need for the power. Staff and PASNY consider that the load growth of Vermont and Allegheny will not be significantly different. Allegheny argues that Vermont's load growth is near 6 percent while its own is close to 10 percent.

6/ 16 U.S.C. §836(b)(1).

7/ Congress has been specific in other Acts, such as the Boulder Canyon Project Act, 43 U.S.C. §617(c) (I.D., p. 9, note 3).

8/ 16 U.S.C. §836(b)(1).

Accuracy of load growth projections over the short term, however, is impaired by the influence of events such as weather and economic conditions, among other things, and thus not greatly reliable. 9/ It does not appear to us therefore that the range of load growth differences in the near future between Vermont and Allegheny is significant enough to influence the allocation of the 30 mw. We agree with the Administrative Law Judge in this regard.

An examination of the reserve margins of the New England region presented in the record shows that it drops from 38.5 percent in 1974-75 to 16.8 percent in 1978-79. These figures represent reserves for the annual peak which occurs in winter. Allegheny points out that the Mid-Atlantic Area Council (MAAC) Region from which it receives the majority of its power has a summer peak and that MAAC's reserve margins for this annual peak drop from 23.4 percent in 1974-75 to 20.6 percent in 1978-79. 10/ Allegheny further argues that the impact of 30 mw on regional reliability is de minimis and thus cannot favor either itself or PSB. 11/ PASNY argues (and the Administrative Law Judge agreed) that regional reliability is not an appropriate factor to consider under the Act. Staff responds that the Act does not limit the factors that this Commission may consider in determining an allocation. The Staff's point is well taken. This Commission should consider every relevant fact in making its determination, especially where, as here, the balancing decision between the

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9/ Allegheny admits for example that between December, 1972 and December, 1973 the growth in its peak load was very small, but in the following 12 months it was 10.6 percent.

10/ Staff in making its comparison of annual peaks between PSB and Allegheny used MAAC's winter peak and thus found a substantially higher reserve margin for MAAC, leading Staff to conclude that the 30 mw would improve the reliability in New England more than it would in the MAAC Region.

11/ The record shows that the 1974-75 capacity of MAAC as 43,557 mw, ECAR (East Central Area Reliability Cordination Agreement, another of Allegheny's suppliers) as 72,012 mw, the New England Pool as 19,566 mw, and NPCC (Northeast Power Coordinating Council, of which PSB is a member) as 67,918 mw.

applications is very close. Nonetheless the reliability consideration does not appear to benefit either system significantly and thus in our view favors neither PSB nor Allegheny.

The projected savings by PSB and Allegheny from the 30 mw of Niagara power were the subject of substantial evidence and are keenly disputed. However, both Staff and PASNY agreed that by 1980 substantially equal benefits will accrue to either PSB or Allegheny since the alternative power source for each of them at that time would be nuclear power.

PSB claimed an immediate savings from PASNY power of $1.9 million annually (Ex. 3) based on a 1973 study, and a savings of $3.3 million annually (Tr. 82) based on an updated study. PSB chose Middletown No. 4 for comparison, the most recently installed fossil-fuel generating unit in New England. Allegheny claims a current annual savings of $1.2 million (Tr. 151) from PASNY power and states that this will increase radically as a result of fuel adjustment clauses and because Allegheny's contracts with its suppliers terminate in May, 1975 and Allegheny has been informed that they will seek substantial rate increases. Allegheny also argues that PSB's cost savings are too high since PSB cannot utilize the full 30 mw until winter 1977-78 and thus must pay for the power it has contracted for but would not use until then. Allegheny further argues that Middletown No. 4 cannot be used as a basis for calculating current savings to PSB. The Administrative Law Judge agrees with this criticism by noting that PSB in using Middletown No. 4 has used the incremental cost of a particular unit, while Allegheny uses the average system cost of its suppliers. Staff acknowledges that the cost savings to PSB and Allegheny were computed on different bases, but claims that this is irrelevant since both parties used the only valid bases available to them. In this regard, PASNY points out that Allegheny's suppliers would eliminate the 30 mw output from their highest cost incremental power (if Allegheny received the 30 mw from PASNY) and thus the total savings in Pennsylvania would be comparable to the total savings in Vermont, even though as between PSB and Allegheny, the former would save more simply because Allegheny only pays average system costs.

The Administrative Law Judge's conclusion on this issue is accurate. He stated:

> Once again there is substantial evidence that, upon analysis, contributes very little to the resolution of the allocation issue. What does emerge from the evidence of alternative power resources available is that Allegheny, having no generating capacity of its own, is dependent upon purchases from suppliers at rates demanded, while PSB has a number of alternative sources of power upon which it can rely. PSB would, therefore, have greater opportunities to obtain more economical power resources than Allegheny. (I.D., p. 16)

The evidence establishes that transmission line losses within New York State for Niagara power would be 3 percent to Allegheny and 5 percent to PSB. However, the losses from distribution in Pennsylvania are slightly higher than transmission losses in Vermont. Thus, the percentage of kwh transmission losses between the Niagara Project and the distribution points average out to 7.6 for PSB and 7.9 for Allegheny (I.D., p. 17).

PASNY argues that the losses within Vermont and Pennsylvania will remain constant whether PSB and Allegheny receive power from Niagara or from an alternate source. Thus, the only losses that should be considered are those within New York itself.

The Act speaks only of making preference power "available for use within reasonable economic transmission distance in neighboring states".[12/] This would seem to indicate that the entire transportation from point of origin to point of distribution was meant to be considered. It is a logical inference and the Administrative Law Judge follows this reasoning. Thus, the difference in transmission losses between PSB and Allegheny is insignificant. We concur in this conclusion.

As noted earlier, Allegheny argues that PSB's status as a public body serves merely to thwart the will of Congress since it sells some 77 percent of its Niagara power

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12/ 16 U.S.C. §836(b)(2).

to privately owned utilities. However, the Administrative Law Judge agreed with PSB's response that PSB ensures that all direct benefits of that power accrue to residential and rural customers within Vermont by means of PSB supervision over rates. Allegheny in turn is criticized by PSB because some 10 percent of its load goes to industrial and commercial customers who thus directly benefit from Niagara power. Allegheny claims that such users are country stores, schools, gas stations, etc. and a few small industrial loads that are always found and needed in rural areas. Allegheny says such service was within the intent of Congress since Congress has had many years of experience in providing electrical service to rural America and that if Congress did not intend such service, it would not have specified "domestic and rural" customers, but only domestic. This point is well taken, and the Administrative Law Judge found such service to be satisfactory under the Act. We agree with him that both PSB and Allegheny are out-of-state preference customers eligible for PASNY power under the Act and "both PSB and Allegheny contribute similarly to the implementation of the intent of the Act in their respective distribution of PASNY power." (I.D., p. 19)

Turning to AMP-Ohio, its limited participation in the instant proceeding has been at a great disadvantage. Although it has asserted its desire and need for the 30 mw of Niagara power and has applied for it to PASNY, it cannot present a complete case to be decided on the merits next to Allegheny's and PSB's because it has been unable to contract for necessary transmission facilities with Cleveland Electric Illuminating Company linking PASNY power with its customers.

Fortunately, the interests of AMP-Ohio can be protected without waiting for the resolution of its transmission problems. As Staff points out, and as AMP-Ohio itself admits, the 30 mw can be awarded to either PSB or Allegheny subject to the future determination of AMP-Ohio's rights to any of the 30 mw when transmission connections are realized.

Staff is correct in asserting that the contingent interests of AMP-Ohio are independent of the decision to allocate the 30 mw to PSB or Allegheny. We conclude therefore that the Administrative Law Judge erred in basing his decision in favor of Allegheny in part upon Allegheny's agreement with AMP-Ohio. That agreement should be given no weight.

In our view the evidence overall does not reflect major differences favoring either PSB or Allegheny. The Administrative Law Judge's decision apparently turned on four factors: (1) the cost savings comparison slightly favors Allegheny until 1980; (2) PASNY's decision in favor of Allegheny should be given some weight; (3) allocation of the 30 mw to Allegheny would potentially benefit AMP-Ohio; and (4) the allocation to Allegheny would make PASNY's total power allocation (i.e. from the Niagara and St. Lawrence Projects) more proportionate as between Vermont and Pennsylvania, where similar benefits are realized.13/

We have previously concluded that as between PSB and Allegheny no weight should be given to AMP-Ohio's stake in the allocation. We have agreed with the Judge that cost benefits until 1980 slightly favor Allegheny not Vermont. In view of the previous discussion and conclusion that Congress did not limit the factors which this Commission can consider in determining the correct allocation of power, we believe it is appropriate to consider the other two factors relied on by the Judge.

It is difficult however to give much weight to PASNY's decision favoring Allegheny because there is nothing in the record to show that PASNY had any more evidence to consider than exists in the record before us (see Ex. 82). Furthermore,

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13/ Vermont currently receives 100 mw from St. Lawrence and 50 mw from Niagara. Pennsylvania (including the instant mw) receives 130 mw from Niagara.

the decision by PASNY's Board of Trustees fails to enumerate the basis for that decision (Ex. 81). Thus we conclude that, although we can consider PASNY's original decision, it is not helpful to us.

The remaining consideration then is the equalization of benefits to neighboring states.

Staff points out that based on total PASNY power in 1973, Vermont received an average of 6.3 mwh and Allegheny 4.8 mwh per residential and rural customer (Ex. 77). If the 30 mw are allocated to PSB, the averages will be 7.3 mwh for PSB and 4.8 mwh for Allegheny. With the 30 mw allocated to Allegheny, the average will be 6.3 mwh for both (Ex. 77). This comparison includes both Niagara and St. Lawrence power.

The Staff concluded that it is proper to look at the PASNY allocations from both the Niagara and St. Lawrence Projects. The rationale is briefly that Niagara and St. Lawrence both produce more power because of their joint operation and thus each project's power cannot be considered in isolation. Staff acknowledged that PSB will continue to receive more total PASNY power than Allegheny whether or not PSB is allocated the instant 30 mw of Niagara Project power. However on balance the Staff decided that the benefits of more equalized interstate distribution of PASNY power are insufficient to outweigh those factors which favor allocation of the 30 mw to PSB.

The Judge concluded otherwise and stated:

> It is reasonable to assume that in the allocation of preference power to neighboring states by PASNY, Congress did not intend substantially disproportionate allocations that favor one neighboring state within economic transmission distance, while excluding another, where similar benefits are to be realized. (I.D. p. 21)

We agree with the Staff that it is proper to consider the joint operation of the Niagara and St. Lawrence Projects for determining project power. We also agree with the Administrative Law Judge that Congress did not intend that PASNY power be allocated disproportionately among neighboring states.

Therefore, Judge Levant was correct in finding that this factor favored allocation to Allegheny.

In sum, while the merits of the applications of PSB and Allegheny are closely balanced, as discussed in detail above, and while some minor points in the decision as also discussed above were erroneously relied on, overall we believe that Judge Levant was correct in finding that 30 mw of PASNY's power should be allocated to Allegheny and finding that PSB's complaint on this point must be denied.

The second issue to be addressed is what constitutes "project power" under the Niagara Redevelopment Act. Judge Levant concluded generally that project power under the Act was not limited to firm power, but included all of the various categories of power marketed by PASNY from the Niagara Project, such as firm peaking, Pargaraph A and Paragraph B peaking power (I.D., pp. 21-31). The Staff, Allegheny, and AMP-Ohio did not take exception to this part

of the initial decision. PASNY's only exception to the decision on this issue is that the Administrative Law Judge exceeded his authority in ruling on it. We believe the Administrative Law Judge was correct in deciding this issue and we affirm it to the extent indicated below.

The legislative history of the Act supports this conclusion. Congress used the term "firm power" in its committee reports and was familiar with it. As Judge Levant states in the initial decision:

> The legislative history makes references to 1,800,000 kilowatts of firm power and to two million kilowatts of firm power. It also refers to an installed capacity of 2,190,000 kilowatts of which 1,800,000 would constitute firm power on a 17 hour-a-day basis. This would indicate that the total capacity of the project was contemplated to be somewhat greater than firm power. While certain assumptions with respect to the power available for allocations to neighboring states are referred to in terms of firm power, there is nothing in the legislative history indicating that the project power to be made available to preference customers was to be limited to firm power . . . .
>
> On the basis of the plain intent to make 50 percent of project power available to preference customers, it cannot reasonably be argued that something less than 50 percent of the power derived from the Niagara Project should be made available to such customers because a particular category of power devised and offered for sale by PASNY is not specifically referred to in the legislative history. Such a result would ignore the statutory purpose of the Act.
>
> The preference issue received much attention in Congress. If Congress had intended the preference provision to apply only to "firm power" it would undoubtedly have imposed such a limitation. In the absence of a showing in the legislative history of such a limitation, effect must be given to the plain meaning of the Act. (citations omitted)

Furthermore, as Judge Levant stated, the legislative history indicates that Congress anticipated pumped-storage and pumped-generating facilities would be required to achieve 1,800,000 kilowatts of firm capacity and thus there is no basis for excluding power produced by the Lewiston Pumped Generating Plant from the preference provisions of the Act. We agree with this part of the initial decision.

PSB had two exceptions on the project power issue. First, it argues that the Administrative Law Judge erred by not determining the allocation now for the additional project power over 30 mw; and second, it argues that the Administrative Law Judge erred by not ordering PASNY to deliver the firm power already allocated under contract to PSB at 100 percent load factor.

NYPSC argues on exception that the Administrative Law Judge was wrong in finding that the Act requires PASNY to allocate a full 10 percent of project power to out-of-state preference customers upon their demand. Rather, NYPSC says, the Act only makes these customers eligible for up to 10 percent of project power.

In response to NYPSC, the Staff does not read the initial decision as foreclosing a subsequent determination by PASNY or the Commission that the 180 mw presently allocated out-of-state constitutes all of the "project power" that is required to be allocated to out-of-state preference customers under the Act, and thus Staff concludes that NYPSC's remaining exceptions need not be addressed.

After review, we believe it would neither be appropriate at this time to determine the specific allocation of project power over 30 mw nor would it be correct to order PASNY to deliver the firm power already allocated under contract to PSB at 100 percent load factor, essentially for the reasons stated by the Administrative Law Judge and as discussed below. Moreover, we agree with the Staff that the Act does not require PASNY to sell 10 percent of project power to out-of-state preference customers, but only that PASNY make a reasonable portion of project power -- up to 10 percent -- available to those customers.

We believe specific allocations of available power should be considered at one time in a future proceeding when all interested parties may present evidence to support their

applications for the unallocated project power and when the relative benefits of various classes of power between in-state and out-of-state customers may be considered. As the Judge noted, the record is insufficient to allow specific allocation to out-of-state preference customers at this time. As PASNY has stated, other customers both in and out of New York State are interested in this power who have not participated in the instant proceeding.

Now that the instant decision makes potential customers and PASNY aware of what constitutes project power under the Act, all can apply for a share thereof and PASNY can make a decision on the allocation of such power taking all relevant factors into account. This would include in our view any environmental impacts that may be associated with the diversion of additional amounts of power outside of New York State.

Since we do not reach the question of how much, if any, further Niagara Project power must be diverted out of New York State, we need not determine at this time whether such diversion would be a major federal action requiring an environmental impact statement under NEPA. On the other hand, diversion of the instant 30 mw would not in our view result in a significant impact on the human environment, but rather would have a minimal effect at most. No party argues otherwise.

We turn finally to PSB's argument that PASNY should deliver the firm power under contract with PSB at 100 percent load factor. The Administrative Law Judge found that while nothing in the Act or PASNY's license prescribes a load factor at which preference power is to be made available, the legislative history refers to the availability of firm power on the basis of 17 hours per day (a load factor of about 71 percent) (I.D., p. 32). This is approximately the average system load factor of out-of-state firm power. The Judge found this reasonable and noted that of the energy which may be available in some years over and above that required to meet the basic project power commitments, up to 10 percent thereof will be made available to out-of-state preference customers (I.D., p. 33). PSB's only argument not discussed

by the Judge was that its contract with PASNY calls for delivery at 100 percent load factor. PASNY disputes this interpretation of the contract. We conclude that PSB presents no significant reason not considered by the Judge to require that it be served at 100 percent load factor and we affirm the Judge's decision on this point.

The Commission further finds:

The Initial Decision of the Administrative Law Judge issued May 15, 1975 should be affirmed as discussed herein.

The Commission orders:

(A) The allocation of 30 mw of PASNY's Niagara Project power as requested by PSB in its complaint is hereby denied.

(B) PASNY shall, in compliance with the terms of its license and the Niagara Redevelopment Act, make available for sale to out-of-state preference customers a reasonable portion of all project power, as determined by the Administrative Law Judge and affirmed herein, up to ten percent.

(C) Exceptions not granted are hereby denied.

By the Commission.

(S E A L)

Kenneth F. Plumb,
Secretary.

ENCLOSURE NO. 6

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

ELECTRIC RATES: INTERVENTION

Before Commissioners: Richard L. Dunham, Chairman;
Don S. Smith, John H. Holloman III,
and James G. Watt.

Niagara Mohawk Power)
Corporation) Docket No. ER76-523

ORDER GRANTING PETITION TO INTERVENE AND
PETITION FOR DECLARATORY RELIEF

(Issued July 21, 1976)

On February 23, 1976, Niagara Mohawk Power Corporation (Niagara Mohawk) tendered for filing an initial power agreement with the Power Authority of the State of New York (PASNY). On March 15, 1976, the Town of Massena, New York, (Massena) petitioned to intervene in the proceeding and petitioned for a declaratory order interpreting the Niagara Mohawk-PASNY contract. Massena's petitions are herein granted.

Niagara Mohawk's February 23, 1976, filing 1/ provided for the sale of unsupported firm power to Niagara Mohawk from PASNY's Fitzpatrick Nuclear Plant; for the sale of excess power, when available, to Niagara Mohawk from the Fitzpatrick Plant; for the sale of supporting energy to PASNY by Niagara Mohawk; and for the transmission of Fitzpatrick power by Niagara Mohawk to high load factor manufacturers and priority customers supplied by PASNY with power from the Fitzpatrick plant where such customers can be supplied through the system

1/ Designated: Niagara Mohawk Power Corporation, Rate Schedule FPC No. 95.

of Niagara Mohawk. Niagara Mohawk requested waiver of the Commission's notice requirements to permit the agreement to become effective on July 28, 1975, the date of the contract.

Notice of the filing was issued on February 27, 1976, with comments, protests or petitions to intervene due on or before March 15, 1976. On March 15, 1976, a timely petition to intervene was filed by Massena. On March 25, 1976, the Commission accepted the Niagara Mohawk-PASNY agreement for filing and permitted it to become effective, as requested on July 28, 1975.

In its March 15, 1976, petition, Massena requested that we issue a declaratory order determining whether the Niagara Mohawk-PASNY contract requires Niagara Mohawk to transmit Fitzpatrick Plant power only to priority customers which were being supplied by PASNY as of July 28, 1975, or whether the contract requires Niagara Mohawk to transmit Fitzpatrick power to future priority customers of PASNY. 2/ This question is of importance to Massena insofar as Massena plans, according to its petition, to become a priority customer of PASNY. Massena avers that on February 10, 1976, PASNY reaffirmed its commitment to supply Massena as a preference customer with fifteen megawatts of electric energy once Massena has the legal and physical capacity to receive the power.

2/ The Niagara Mohawk-PASNY contract clause in question provides as follows:

J. Transmission Service by Customer. Customer [Niagara Mohawk] hereby agrees to transmit power for Authority [PASNY] over its transmission system to high load factor manufacturers and priority customers supplied by Authority with power from the Fitzpatrick plant, where the customers can be supplied from the system of the Customer as follows:.....(b) For all priority customers and for high load factor manufacturers located beyond 30 miles of the Niagara Falls switchyard: the transmission to be from the points of delivery of service to Customer in effect under this application to the points of delivery to such customers, for which service Customers shall be compensated in transmission fees and allowance for losses in transmission at the rates in effect under Part Five of Contract NS-1.

We interpret the Niagara Mohawk-PASNY contract to provide that Niagara Mohawk shall transmit PASNY power to both past and future priority customers of PASNY. The Rules and Regulations of PASNY define "priority customers" as being ". . .entities entitled to preference under 16 USC 836(b)(1)." Section 836(b)(1) of 16 USC, taken from the Niagara Redevelopment Act, 71 Stat. 401, provides:

> In order to assure that at least 50 percentum of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural customers, to whom such power shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use, the licensee in disposing of 50 percentum of the project power shall give preference and priority to public bodies and nonprofit cooperatives within economic transmission distance.

The Niagara Redevelopment Act, in providing that preference shall be given to "public bodies and nonprofit cooperatives within economic transmission distance", made applicable to the Niagara project the long-standing Federal preference policy 3/ which accords priority in power marketing to public distribution systems and nonprofit cooperatives. 4/ It would be contrary to the legislative intent underlying that policy to construe the clause regarding preference power in 16 USC 836 as being inapplicable to public distribution systems

3/ For a review of the policy's history, see: S. Rep. No. 1408, 84th Cong., 2nd Sess. (1956).

4/ H. R. Rep. No. 862, 85th Cong., 1st Sess. (1957).

and non-profit cooperatives which do not presently have a capability to utilize preference power. 5/ The use of the term "priority customer" in the instant contract, as defined by the Rules and Regulations of PASNY to mean entities entitled to preference under 16 USC 836 (b)(1), thus must be taken to indicate that the parties to the contract contemplated that benefits of the transmission provision of the contract would run to future preference customers. It would be unreasonable to assume that the parties would use the term "priority customer", with its fixed legal meaning, if they had intended otherwise.

5/ See: 41 Op. Att'y Gen. 236 (1955). In rendering an opinion on whether the Secretary of the Interior must contract with a preference customer when the Secretary has before him two competing offers to purchase power, one from the preference customer and the other from a non-preference customer, and the preference customer does not have at the time the physical means to take and distribute power, the Attorney General stated:

> I cannot conceive, in the face of a plain mandate for preference to public bodies and cooperatives and the congressional concern, as evidenced in related statutes, for protection of their preferential status, that it is possible to say apropos of Section 5 [of the Flood Control Act of 1944] that the Congress intended a preference purchaser to demonstrate its present ability to take and distribute the power in order to avail itself of its statutory privilege. It is reasonable to attribute to the Congress that enacted Section 5 the same solicitude for preference customers that had been recognized as necessary on other occasions...To read into the Section 5 grant of a preferenc to public bodies and cooperatives the requirement of a presently existing ability to take and distribute the power would, in the usual case, constitute its emasculation; and it is well-settled that such a construction of a statute should not be taken where a construction is possible which will preserve its vitality and the utility of the language in question. Ibid., at 245 (citations omitted).

In its petition, Massena requests that the Commission determine whether "other" Niagara Mohawk-PASNY contracts permit both past and future preference customers to benefit from the contracts. Due to the absence of any references by Massena to specific clauses of particular contracts, we shall deny this request for an interpretation of contracts other than that filed in the instant docket.

On March 25, 1976, Niagara Mohawk filed an answer to Massena's March 15, 1976, petition. 6/ Niagara alleges, first, that Massena has no standing to intervene in the instant proceedings since neither is it a municipal electric system nor does it aver any pro bono publico standing. Having reviewed Massena's petition to intervene, we conclude that Massena has an interest in this proceeding which is sufficient to warrant its intervention herein.

Niagara Mohawk alleges, secondly, that the Commission is without jurisdiction to grant the declaratory relief requested by Massena. Insofar as the Niagara Mohawk-PASNY contract provides for, inter alia, the sale of supporting energy by Niagara Mohawk to PASNY, the contract is within the Commission's jurisdiction. Massena's petition for an interpretation of the Niagara Mohawk-PASNY contract is a petition for a declaratory order to remove uncertainty. Full provision for such orders is made in Section 1.7(c) of the Commission's Rules of Practice and Procedure, as formulated under authority of Section 309 of the Federal Power Act.

6/ A reply by Massena to Niagara Mohawk's answer was filed on March 25, 1976.

The Commission finds:

(1) It is desirable and in the public interest to allow Massena to intervene in these proceedings.

(2) Good cause exists to grant Massena's March 15, 1976, petition for a declaratory order removing uncertainty about the Niagara Mohawk-PASNY contract filed February 23, 1976.

(3) Good cause exists to deny Massena's petition for a declaratory order regarding Niagara Mohawk-PASNY contracts other than that filed on February 23, 1976.

The Commission orders:

(A) Massena is hereby permitted to intervene in these proceedings subject to the rules and regulations of the Federal Power Commission; Provided, however, that participation of such intervenor shall be limited to matters affecting asserted rights and interests as specifically set forth in the notice of intervention; and Provided, further, that the admission of such intervenor shall not be construed as recognition by the Federal Power Commission that it might be aggrieved because of any order or orders of the Federal Power Commission entered in this proceeding.

(B) Massena's March 15, 1976, petition for a declaratory order removing uncertainty about the Niagara Mohawk-PASNY contract filed February 23, 1976, is hereby granted and that contract is hereby interpreted to provide that Niagara Mohawk shall transmit PASNY power to both past and future priority customers of PASNY.

(C) Massena's petition for a declaratory order regarding Niagara Mohawk-PASNY contracts other than that filed on February 23, 1976, is hereby denied.

(D) The Secretary shall cause prompt publication of this order to be made in the Federal Register.

By the Commission.

(S E A L)

Kenneth F. Plumb,
Secretary.

ENCLOSURE NO. 7

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

INTERCONNECTION - HEARING ORDER

Before Commissioners: Richard L. Dunham, Chairman;
Don S. Smith, John H. Holloman III,
and James G. Watt

Niagara Mohawk Power Corporation) Docket No. E-9550
Town of Massena, New York)

ORDER DENYING HEARING

(Issued July 28, 1976)

On February 5, 1976, the Town of Massena, New York (Massena), pursuant to Section 202(b) of the Federal Power Act and Section 32.1 of the Commission's Regulations under the Federal Power Act, filed an application for an order directing the Niagara Mohawk Power Corporation (Niagara) to establish physical connection of its facilities with the facilities to be possessed and operated by Massena. This application was supplemented by Massena's filing on May 17, 1976, of a request that we assert jurisdiction under Section 202(c) as well as Section 202(b).

Massena is a municipal corporation as defined under the laws of the State of New York. Massena is located in the County of St. Lawrence and lies adjacent to the St. Lawrence River. Massena's population is approximately 16,000 and its economic base consists of three major industrial facilities along with recreational activities and related services based on the St. Lawrence River and Lake St. Lawrence, formed by one of two hydroelectric facilities owned and operated by the Power Authority of the State of New York (PASNY).

Niagara currently serves electric power and energy to the residents of Massena at retail under rates, terms and conditions of service approved or prescribed by the Public Service Commission of the State of New York.

On March 17, 1976, the Commission issued a notice of this application which was published in the Federal Register on March 25, 1976, 41 F.R. 12341. The Public Service Commission of the State of New York subsequently filed, on March 31, 1976, a "Notice of Intervention," pursuant to Section 1.8(a)(1) of this Commission's Rules of Practice and Procedure.

On April 23, 1976, an application to intervene was filed by Niagara. In addition, Niagara has moved for an order dismissing Massena's application. It is Niagara's contention that "Massena has no intention to purchase power and energy from Niagara." (Petition to intervene, p. 4.) Niagara further contends that because Massena has not as yet acquired the transmission and distribution facilities that will be the subject of the proposed interconnection, we have no jurisdiction to grant relief.

Massena's application seeks an order directing Niagara Mohawk to interconnect its facilities with those of Massena, and establishing rates, terms and conditions of service for wholesale power service by Niagara to Massena. Massena requests that such interconnection order as may be granted take effect only after Massena secures legal authority to possess the facilities of Niagara "under the condemnation laws of the State of New York" (Application for Interconnection E-9550, p. 10).

By an Order dated May 3, 1976, and released on May 14, 1976, in the County Court, County of St. Lawrence, New York, Massena was granted the right to temporary possession of Niagara Mohawk's transmission and distribution facilities used to serve Massena. Massena, however, has not yet taken possession of these facilities and is consequently unable to claim that it is now a "person engaged in the transmission or sale of electric energy" under Section 202(b) of the Federal Power Act.

Section 202(b) of the Federal Power Act, in our opinion, gives the Commission authority to order a public utility to interconnect its transmission facilities with the facilities of an Applicant who is currently engaged in the transmission or sale of electric energy, and to sell or exchange energy with such persons. Although the word "currently" does not appear in the section, and although the present tense of the verb is not explicit, we believe that that is the most reasonable construction of the statutory language. */ After appropriate notice and opportunity for hearing, the Commission can exercise its authority under this section if such action is consistent with the public interest. The Commission's authority to order interconnection is subject to certain limitations. For example, the Commission cannot compel the enlargement of generating facilities for such purposes; nor can it compel such public utility to sell or exchange energy when to do so would impair its ability to render adequate service to its customers.

Whether, as Niagara alleges, Massena ultimately seeks wheeling services from Niagara, our statutory obligation to consider the immediate request for interconnection, if an application is otherwise adequate on its face, is unaffected. On the other hand, we are constrained by the language of Section 202(b) to grant hearings on requests for mandatory interconnection only to those persons actually and currently engaged in the transmission or sale of electric energy. Until such time as Massena actually takes possession of the facilities mentioned earlier, and is "engaged in the transmission or sale of electric energy", this Commission has no jurisdiction to grant the relief requested.

Likewise, we are unable to consider Massena's request for emergency interconnection relief under 202(c). It is premature at this time. As Sections 32.60 through 32.62 of our Regulations under the Federal Power Act provide, emergencies are of two basic types:

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*/ Section 202(b) provides in pertinent part:

> Whenever the Commission, upon application of any...person engaged in the transmission or sale of electric energy,...finds such action necessary or appropriate in the public interest it may by order direct a public utility...to establish physical connection of its transmission facilities with the facilities of one or more other persons engaged in the transmission or sale of electric energy, to sell energy to or exchange energy with such persons....

1) emergencies as determined by the Commission by reason of one or more of the following factors:

-- a sudden increase in demand for electric energy;
-- a shortage of electric energy;
-- a shortage of facilities for the generation or transmission of electric energy;
-- a shortage of fuel or water for generating facilities; or
-- a shortage of electric energy or facilities for other, but related, types of causes

2) emergencies occasioned during wars in which the United States may be engaged.
FPC Order No. 520, 52 FPC 1554, 1555 (1974)

Massena does not fit into any of the above classifications. While Massena claims that its power supply will be cut off once it takes possession of Niagara Mohawk's facilities, at the present time there is no power shortage. Niagara Mohawk is continuing to deliver power to Massena and no emergency now exits.

The Commission finds:

It is premature at this time to consider Massena's application for interconnection under either Section 202(b) or Section 202(c) of the Federal Power Act.

The Commission orders:

(1) That the Notice of Intervention filed by the Public Service Commission of the State of New York is rendered moot by virtue of our lack of jurisdiction to consider Massena's application.

(2) That Niagara Mohawk's petition to intervene is also rendered moot by virtue of our lack of jurisdiction to consider Massena's application.

(3) That the motion of Niagara Mohawk Power Corporation to dismiss the Town of Massena's Application for Interconnection is hereby granted.

(4) That the Town of Massena's Application for Interconnection under Section 202(b) or (c) of the Federal Power Act is hereby dismissed without prejudice to refiling under such sections at such time as Massena the transmission and sale of electric energy, is engaged in or until it encounters an emergency as defined herein.

By the Commission.

(SEAL)

Kenneth F. Plumb.
Secretary

Mr. FITZPATRICK. Might I comment for the record?

Mr. OTTINGER. Yes. I would be very interested to know if you have with you or can make available to us those preference customers.

Mr. FITZPATRICK. That is what I wanted to comment about. No. 1, the Authority has never turned down an application for additional power made by an existing preference customer in order to meet its load growth. Never.

Mr. OTTINGER. An existing preference?

Mr. FITZPATRICK. That is right, and I will go on about who has asked and who has not in just a second. Every year, of course, we do put out an annual report, which I am sure you have seen, which lists specifically the customers of the Power Authority, preference and otherwise, and which recites the amount of power that is available.

With respect to the application of Sherrill, which was referred to and the Federal Power Commission indicated that we were considering the application of Sherrill, the record should state that, at its last meeting, the Power Authority did approve the application of Sherrill and did allocate 11,000 kilowatts for that community, and that contract will soon go forward with the Governor's approval.

The Authority in some instances has denied application for additional power made by preference customers within New York State for a particular purpose of supplying power to industry not previously served by the municipal systems. In those instances, the contract demands of the Authority customer would have been significantly increased by adding the load of the industry that its preference customer proposed to serve. That would be unlike the Sherrill situation where there had been in Sherrill a long-standing arrangement between the two.

But we took in connection with the village of Solvay, for instance—we took into consideration a situation where it would have, in fact, been a diversion of some sufficient, some noticeable quantity, appreciable quantity—is the word I want—of power from the domestic customer, the rural and domestic customers to an industrial purpose under that particular case.

And, as I have stated, the Authority did—I stated in my general statement—the Authority did turn down Vermont's request for the entire 180,000 kilowatts of preference power to be sold to neighboring States under the Niagara Redevelopment Act, and the Federal Power Commission is fully aware of that because they had that before them and they have referred to that in their own statement.

The only other requests that I know of in my tenure or before my tenure that were denied were requests made by Massachusetts and New Hampshire initially in connection with the St. Lawrence contracts, and they were considered by the Authority to be outside the economic transmission distance. They hired consultants, and, after working with their consultants, they decided to withdraw.

Mr. OTTINGER. Mr. FitzPatrick, I have before me and would like to insert in the record a letter of March 8, 1976, from the city of Ogdensburg, requesting power.

Mr. FITZPATRICK. The city of Ogdensburg——

Mr. OTTINGER. And a reply of August 5, 1976, signed by Edward J. Brown, the principal economist for the Power Authority, saying that you did not anticipate that power would be available.

[The letters referred to follow:]

CITY OF OGDENSBURG, N.Y., *March 8, 1976.*

Power Authority of State of New York,
Massena, N.Y.

GENTLEMEN: The Mayor and City Council of the City of Ogdensburg have directed that I make initial inquiries into the circumstances under which the City of Ogdensburg could purchase electrical power from PASNY for the purpose of operating a municipal electrical utility.

As you are aware, a great deal of interest in municipal ownership of electrical utilities has been generated by action initiated by the Village of Massena, and we are attempting to objectively evaluate the situation as it relates to our community.

I would be happy to meet with the appropriate representatives of your authority in Massena at your convenience. I can be reached at 315–393–6100.

Sincerely,

FRANK J. CULROSS,
City Manager.

POWER AUTHORITY OF THE STATE OF NEW YORK,
New York, N.Y., August 5, 1976.

Mr. FRANK J. CULROSS
City Manager, City of Ogdensburg
Ogdensburg, N.Y.

DEAR MR. CULROSS: You have inquired about the availability of Authority power for a proposed municipal electric system under study by the City of Ogdensburg.

The Authority's remaining reserves of hydroelectric power are expected to be exhausted within two to three years by the rapidly growing needs of existing municipal electric systems in New York State. Subsequent load growth of these systems will be met at higher cost for a time from the new FitzPatrick nuclear plant. The available capacity from this plant is also expected to be exhausted relatively soon after completion of the next logical source for municipal power, the Greene County Nuclear Plant, scheduled for completion in 1984.

Therefore, I consider it unlikely that the Authority could supply 20MW for the proposed Ogdensburg system prior to completion of the Greene County plant in 1984.

Sincerely,

EDWARD J. BROWN,
Principal Economist.

Mr. FITZPATRICK. Yes. That is not an existing municipal. What I had said was that we had turned down—we are not authorized to serve unless they are an existing municipal, No. 1; and, No. 2, Ogdensburg at the time of the power allocations initially being offered from the St. Lawrence project, which you now say is not in contention in any event—at the time that the power allocations were made from that project, Ogdensburg had a referendum and specifically declined or decided not to ask for power. You are in exactly the same situation here as you would be with respect to Westchester County, for instance, or Erie County, or the city of Niagara, where there is no established municipal electric system.

Mr. OTTINGER. Well, but the inquiry from Ogdensburg and the inquiry with respect to Westchester is that, if we established a municipal system, would you have power available, particularly from the Niagara plant?

Mr. FITZPATRICK. The answer is "No". I thought that I made that clear.

Mr. OTTINGER. But that is what is in dispute, and you have said to Ogdensburg that, if they establish such a system, you would not have power available.

Mr. FITZPATRICK. We have been totally consistent in saying to anyone who needed a large allocation, as distinguished from some relatively small allocation of power, that, in order to meet our commitment to our existing municipal customers, which we respect very, very dearly—very highly, that we cannot provide for a large system and, by doing so, take away from the only remaining withdrawable power.

Mr. OTTINGER. You can put 1,000 kilowatts, enough to supply those.

Mr. FITZPATRICK. Mr. Ottinger, our situation is simply this.

Mr. OTTINGER. That is what I would like to examine with you.

Mr. FITZPATRICK. All right. Our unwillingness is based primarily upon the fact that there is no way that we can serve any new large additional load in this State without taking that power away from someone else with whom it has either been contracted for or for whom it has been set aside and allocated, and set aside and allocated after extensive hearings before this Congress, at which time we reasonably anticipated loads that were set and established.

I think you realize that, if you took away from any of these contracting entities, if it were possible to do it, you might very well have very, very severe—would have very severe economic impact, particularly in the western part of the State.

Mr. OTTINGER. Well, it appears to me that you are required to do that by the statute, that you are required in your dealings with the public utilities for profit to enter into arrangements on a withdrawable basis so that you can serve new municipals that do request power from the Authority.

Mr. FITZPATRICK. And that is exactly what we did.

Mr. OTTINGER. And you are not frozen at the date of the establishment of the Niagara project. The Niagara statute quite clearly contemplated that there would be future demands by municipal entities for that power and, therefore, specified that any contracts that you made with public utilities would have to be on a withdrawable basis.

Mr. FITZPATRICK. And they were and they are, as is fully explained in my statement.

Mr. OTTINGER. Well, some of them, you say, are and some of them, you say, are not contracted on a nonwithdrawable basis.

Mr. FITZPATRICK. There is a portion of the power which is contracted on a nonwithdrawable basis for a number of factors. No. 1, the portion that was contracted for on a withdrawable basis was based upon the anticipated needs of the municipal entities in the future. All right? There are three other pieces of power. In the first place, you have, as I pointed out in my statement, the replacement power——

Mr. OTTINGER. That, we are aware of.

Mr. FITZPATRICK. All right. Well, I have to recite them so the record will indicate that. Second,——

Mr. OTTINGER. That is what? 140,000? 445 MW.

Mr. FITZPATRICK. 445,000 kilowatts. And that is specifically referred to in the statute, and that was to replace the Schoellkopf plant. Then we allocated at that time, in view of the needs of the industrial sector in the Niagara frontier, a certain amount of power which was designed to attract and retain industry, and that is contracted.

Then, having provided for the reasonable foreseeable needs of the public bodies on a withdrawable basis, the balance of that power which had to be sold in order to sell the bonds was contracted for with a specific provision that the benefits therefrom would flow through to their customers in this very wide area that I am talking about, and there is no other way that the Authority could under those circumstances have reached so many people with the benefits of that low-cost power at that time.

Mr. OTTINGER. But the statute doesn't say anything about that. The statute doesn't say that you are only to foresee the future demand as of the date of the construction of the project.

Mr. FITZPATRICK. If you refer to the page that I read from in my brief in the recitation of how we had allocated in excess of 50 percent of the Niagara power for preference customers, you will find that we have done that, and the statute makes no requirement with respect to the balance of power.

In other words, we have a discretion.

Mr. OTTINGER. I have no problems with 50 percent of the power which is contracted to industry. What I would like to do is to ascertain the compliance of the Authority with the requirement that 50 percent be set aside for these preference customers.

Now, the list that you have provided us, I take it is confirmed by the Federal Power Commission—and I will ask the Federal Power Commission with respect to this—which is table II that you have provided, adds up to a total of 364,200 kilowatts from that attached list, 364,200 kilowatts presently under contract to preference customers.

You have stated that in the future you have commitments to Freeport, Greenport, and Rockville Centre, which are missing from that list, of 75,000.

Mr. FITZPATRICK. May I interrupt just a second?

Mr. OTTINGER. Let me just finish for a minute. That leaves almost 800,000 kilowatts of the 50 percent that is required to go to preference customers. And, if the three municipalities that have applied come to 75,000, it means that there are better than 650,000 kilowatts that ought to be available to future preference customers and ought to be, according to the statute, available on a withdrawable basis.

The Federal Power Commission—and I would like them to comment on this—in their calculations, figures that you have only contracted approximately 19 percent to preference customers, which would leave 31 percent available. Is that correct?

Mr. CORSO. Yes.

Mr. OTTINGER. And the question that we have to deal with, therefore, it seems to me, is that there is ample power available for new municipals that you are required under the Federal statute to provide to them when, as, and if they qualify and request power.

Mr. FITZPATRICK. No. 1, where would we get it from?

Mr. OTTINGER. You would get it from the requirement of the statute that you enter withdrawable contracts with public utilities to make power available on reasonable notice to municipals that come into being and, particularly, therefore, you would get it from the power presently contracted to the Niagara Mohawk Power Co., the New York State Electric & Gas Corp., the Rochester Gas & Electric Corp.

Mr. FITZPATRICK. All of which are under contract now.

Mr. OTTINGER. But they were on notice that that might have to be withdrawn. There was a Federal statute.

Mr. FITZPATRICK. They were not on notice that that would have to be withdrawn, because they were specifically on notice at the congressional hearings as to the amount of power which would have to be withdrawn, and it was allocated on the withdrawable basis.

Now, Mr. Ottinger——

Mr. OTTINGER. I have read the complete Senate report on this, and the Senate made it quite clear that the future power that was contracted for which could not be presently supplied to municipal customers would have to be contracted on a withdrawable basis, and I have read the dispute that took place and the minority views that were entered on that. It was a question of whether that should just be made available to the extent of 50 percent to the people of New York or whether it should be made available on a wider basis. The dissenting views that were entered in that report in the Senate were a feeling on behalf of one of the Senators that it ought not to be restricted on a 50-percent basis, but should be made available to the entire region.

Mr. FITZPATRICK. Were there not in those hearings as you reviewed them discussions of specific allocations, specific need—foreseeable need of the then existing and foreseeable municipal customers?

Mr. OTTINGER. Absolutely, as to what was then foreseeable. But the statute does not say "then foreseeable." The statute requires you to make provision for foreseeable needs, and that is why they require that you enter those contracts on a withdrawable basis.

Now, you seem to make a contention—and it very much concerns me—that your arrangements with Niagara Mohawk passed through the cost savings to Niagara Mohawk customers of the Niagara project, which are very substantial. I mean the difference in prices is monumental.

The hydro power service to a municipality—take Plattsburgh, where you reside so you are very familiar with it. The average monthly bill for 500 kilowatt service is $5.35, which I think is the lowest in the country. The average price to a customer in Con Ed's service area is at the present time $44.09, and that is a whale of a difference.

Mr. FITZPATRICK. Well, Mr. Ottinger——

Mr. OTTINGER. You seem to say that the pass-through provisions take care of that, but you certainly must be——

Mr. FITZPATRICK. That is not what I said.

Mr. OTTINGER [continuing]. Must be aware of the case of the Niagara Mohawk Power Corp., before the FPC in which it was specifically determined that service to public utility does not satisfy the preference provisins of the statute.

Mr. FITZPATRICK. No. 1, you have made many statements. In the first place, you continually refer to the statute as if we were required to contract. The statute does not say, as I have stated in the beginning, that we are required to contract. It states that we shall give preference.

Now, you and I discussed this some 7 years ago, at a time when you made a complaint about this to the Federal Power Commission. And at that time the Federal Power Commission was apparently satisfied, as it appears to me today, without attempting to prejudge

what the statement is, that we have complied with the law, in that it states in its statement, which I have only looked at briefly, that, to their knowledge, based upon their figures, there has been no municipal entity that has been denied service.

Now, initially, the requirement was not that we sell all of the power from Niagara to preference customers. Furthermore, in you tabulation of the preference customers served, you left out 180,000 which was sold outside the State and which is certainly included in the preference category.

Mr. OTTINGER. I did not. I included that within the list.

Mr. FITZPATRICK. In any event, I just wanted the record to be sure that it was included. Now, you asked specifically—you referred specifically to Plattsburgh and you attempt to compare Plattsburgh, for instance, with the rates of Consolidated Edison. There has never been any contention, obviously, that there is not a great discrepancy in the rate and that our power is not valuable. That is why people are seeking it.

With respect to Plattsburgh, incidentally, the contract, so that the record——

Mr. OTTINGER. Niagara Mohawk's rate, incidentally, getting the benefit in part from this power, is $18, which is less than half of Con Ed's power, and all we would like to do is to see that our customers get a fair share of it.

Mr. FITZPATRICK. I understand that, but I mean comparing the rates without reference to the fact that Consolidated Edison, as you know, is dealing with underground facilities and oil as compared to water and very heavy taxes, is, I believe, very honestly, irrelevant to the question of whether our rates are higher or lower.

Mr. OTTINGER. You give us the $5.35 and we will suffer with the underground costs.

Mr. FITZPATRICK. I appreciate that, but the point is that we would be delighted if we were in a position to supply all the requests of the State and we were within the law. We would do so. The fact of the matter is that we have contracted for the power. We think that we have done it legally. We think that we have more than complied with the preference clause. And we do not have any power, as I asked you where it would come from. You, in effect, indicated that we should take it from the parties with whom we have contracted. In order to do that, we would, of course, be immediately faced with the question of whether this was—whether it was legal to do so—and I haven't yet sought to abrogate any contract that I have had to do with—and whether or not any such action could be or would be sustained either by the Federal Power Commission or by the courts.

Mr. OTTINGER. Let me ask you this. When you made the contracts, did you comply with that part of the Niagara Redevelopment Act which says that the licensee shall make flexible arrangements in contracts providing for withdrawal upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of preference customers?

Mr. FITZPATRICK. Absolutely. Absolutely. We not only did it, but the reasonable needs of the customers were those which I have discussed which were determined after the hearings before the Kerr committee.

Mr. OTTINGER. In other words, you interpreted that as meaning that all you had to do was meet the reasonably foreseeable needs of preference customers at that time and you didn't have to worry about the future?

Mr. FITZPATRICK. We didn't say anything about not worrying about the future. You asked me whether we complied with the statutes, and I am saying that we did comply with the statute by including in the contract with the utilities the withdrawal of a quantity of power which would meet specifically, as it says, the foreseeable needs.

Now, what is foreseeable today and what was foreseeable at that time are two entirely different things.

Mr. DINGELL. Mr. Fitzpatrick, let me ask you a question. I assume there was no approval or ratification of your original contracts by the Kerr committee. Am I correct in that?

Mr. FITZPATRICK. No, sir. That would not have been—I presume—I don't want to trespass on jurisdictional problems. That ordinarily wouldn't have been submitted to the Kerr committee. All I am saying is that the whole question before Congress at that time was whether we would be granted a license for the Niagara project and what the terms of the license would be and what would be in the act. And at that time it became important, to know, what should be reasonably foreseen and reasonably set aside for the benefit of municipal customers.

Mr. DINGELL. You have been referring to the Kerr committee. That is the Senate Public Works Committee, as I understand it.

Mr. FITZPATRICK. That was before my tenure.

Mr. DINGELL. I had just barely gotten through the doors here on that day myself.

The Senate Public Works Committee report, which has been the subject of discussion here, presented a set of the committee's initial judgments as to how the power should be allocated. Their figures show no great disparity with the figures that you and the Federal Power Commission appear to be agreed upon. A page later than that in the same report, however, the committee said as follows:

> If it is assumed that the total potential firm power would be 1,800,000 kilowatts and 50 percent assigned to preference customers, there would be allocated 900,000 kilowatts to these users. The assignment of 20 percent of the preference allocation to neighboring States would make a total of 180,000 kilowatts available for export from the State of New York. The balance of this block of power would be available for preference customers in the State of New York. The total capacity may ultimately exceed 1,800,000 kilowatts, and, if such is the case, then there would be a proportionate increase in power available to preference customers.

Mr. FITZPATRICK. Yes, sir. I think that really bears out my statement in that what the committee, as I understand what is being said, was saying, is that there should be made available. Now, our contention, Mr. Dingell, is that we did make available all the power that all the entities could take, and we are faced, since we operate a business operation, with the problem of disposing and selling of the balance of the power.

Mr. Ottinger has asked whether in doing that, which we had to do in order to meet the commitments—whether we did, set up, as required by the statute, withdrawable power for a reasonable amount.

Mr. DINGELL. I think that is an issue. Another issue is whether the Federal Power Commission is properly supervising your responsi-

bility. As I understand it, the provisions in the statute relating to these matters are also embodied almost verbatim in the license which you have from the Federal Power Commission.

Mr. FITZPATRICK. Yes, sir. I don't contest that at all. What I am saying is that, having made—the trustees at that time having made the judgments which were required of them at the time and having set aside this amount on a withdrawal basis, proceeded to sell and now have contracts for, so that, if, for the sake of argument, their judgment had been fallacious at the time and the need was greater than was then reasonably foreseen, there is no way that I know of that that power can now be made available to anyone else without in effect abrogating contracts with the people who bought it in good faith.

Mr. OTTINGER. Do those contracts contain the clause that it is withdrawable?

Mr. FITZPATRICK. Yes. There is no question about it.

Mr. OTTINGER. Then you are not abrogating the contract. You are complying with the contract.

Mr. FITZPATRICK. Oh, well. You are talking about two different types of power. What I have said is that the contracts which pertain to the portion of the power which the trustees at that time deemed was reasonably foreseeable as needed for the municipals and cooperatives contained the withdrawable provision.

The balance of the contracts do not. Not only do they contain the provision for withdrawable power, but the power has consistently been withdrawn and will be totally withdrawn, even 140,000 kilowatts, to meet the needs of existing municipal and cooperative customers before the turn of the decade, before 1980.

Mr. DINGELL. So you anticipate it would be necessary at some point to make the needed withdrawals to meet you commitments to the preference customers by a particular time in the future?

Mr. FITZPATRICK. Yes, sir. We did that and within the contracts, and we have made the withdrawals and have provided the power. Now, what Congressman Ottinger is saying is that there is another block of power which, there having been no preference customers—for which no preference customers asked, which was then contracted for with the utilities with the provision that the benefits of that power would flow through to the people in this entire area.

Mr. DINGELL. I think that really is the point. Let me try to recast your statement, if I may. Apparently the difference between you and Mr. Ottinger lie in this one area. The question seems to be how the preference clauses should be honored with regard to those with whom you initially contracted as preference customers. Should you hold those blocks of power for sale to those preference customers at the time that their need becomes clear? Or, in that interim period between the time of the initial contracts and the time when the need of these preference customers becomes clear, could you take on other preference customers up to the amount of 50 percent?

Mr. OTTINGER. If I may, the statute requires that 50 percent of the power—the dependable capacity of the plant, I take it, is 2,400,000 kilowatts—that 50 percent of that, by statute, has to be set aside for municipal bodies and nonprofit cooperatives. And to the extent of that 50 percent, any contracts with utilities have to be on a withdrawable basis.

Mr. DINGELL. If the gentleman will permit, I am trying to understand the difference between Mr. Ottinger and Mr. Fitzpatrick.

Mr. OTTINGER. Mr. Fitzpatrick is apparently saying that only that power which was needed to meet foreseeable needs at the time had to be on a withdrawable basis.

Mr. DINGELL. I would like an answer to my question. Mr. Fitz-Patrick, would you respond at this point? Is that the difference between you and Mr. Ottinger?

Mr. FITZPATRICK. Well, in substance. Let me see if I can recast it. If I understand your question, the problem that we have between us is this: No. 1, the statute does not call for an allocation of all the power to preference customers. That is No. 1.

Mr. DINGELL. It imposes certain burdens on the Federal Power Commission, whose performance is also under scrutiny.

Mr. FITZPATRICK. Yes. I think that our basic problem is, as was stated between us 7 years ago, and as was taken to the Federal Power Commission at that time—that is, that I contend that there is nothing in the statute which obligated the Authority at that time to contract with entities for 50 percent of the power, that there were no such entities with whom to contract for 50 percent of the power, and that, in making it available to all preference entities who wanted it, we were complying with the statute in giving preference to those customers before going to someone else with whom we made bona fide contracts. That is one very basic point of difference between us.

Now, when it gets down to the question of providing, as mandated by the statute, a certain amount of withdrawable power, providing that a certain amount would be withdrawn, it is our contention, with which Mr. Ottinger apparently disagrees, that the then trustees of the Authority were complying with the statute in making available to the future—for the future needs of those municipal customers through withdrawable contracts an amount comparable to the total anticipated to be those future needs.

Mr. DINGELL. It is Mr. Ottinger's thesis that that should be made available to other preference customers at a time when they cite a need or a demand.

Mr. FITZPATRICK. That may be possible, Mr. Dingell, at the time that the contract expires, but I asked Mr. Ottinger in your absence where it would come from, and, as I understood his answer, he would in effect take it from the utilities with whom the contracts are now in existence. And that poses very obvious problems, even if we were so disposed to do so.

Mr. OTTINGER [presiding]. I would feel—and I would like the Federal Power Commission to comment on this and to comment on what its July 21 order meant—that it seems to me that it confirms that, and that is: Do you not have to keep 50 percent, according to the statute, of the power from the Niagara power plant available for the potential future demands of preference customers? Maybe Mr. Corso would like to comment on that.

Mr. CORSO. I would like to defer to Mr. Lamke, since he is more familiar with the legal case.

Mr. LAMKE. Before I respond to the July 21 order by the Commission, in my reading of both the license provision and the Niagara

Project Act, section (b)(1), I think the question really here at issue are the words "upon reasonable notice and fair terms of enough power to meet the reasonably foreseeable needs of the preference customers."

When the Federal Power Commission looks at these particular contracts, any of them that you could pick up—here is Niagara Contract NS–1. On page 2, subparagraph (f)—excuse me—subparagraph (g), it very clearly says "withdrawable firm power"—"project firm power is subject to withdrawal in accordance with Public Law 85–159, 16 U.S.C. 836, 836(a)."

When the Federal Power Commission—and, in our testimony in response to the subcommittee—in applying both the license provision on this 50 percent and the Niagara project provisions, merely said that we were not aware of any applications by any of these proposed preference customers that had been refused by PASNY, and, in addition, that in all the particular contracts that PASNY had made provision to withdraw certain power.

Now, on this July 21, 1976, order, we have the—the language appears to be relatively clear, that we are takling about a wheeling arrangement, delivery of PASNY power in this particular case, and not the power itself. What they were saying was that, in this contract between Niagara Mohawk and PASNY, the contract provisions provided that Niagara Mohawk was obligated to deliver to future customers through their transmission lines not additional power, but make available to preference customers their power.

I cannot comment to a great extent with regard to this additional case where we have the complaint of the town of Massena and Sherrill, because it is before the Commission, but here again we have a transmission problem, and we also have the capacity problem too.

Mr. OTTINGER. The importance of the July 21 order, as I see it, is that supplying the electricity to the utility did not satisfy the preference.

Mr. LAMKE. That is right, but here again—and the reason I have a little problem when I bring the two cases together is because in the next case, Niagara Mohawk, in the July 21 order, we are talking about the FitzPatrick nuclear plant and transmission.

Niagara Mohawk alleges in their response to the complaints of the town of Massena and the city of Sherrill that there are contract language differences between the FitzPatrick contracts which we have in the July 21 order in ER–76523 and the Niagara project contract language that we have under the complaint. And I can't comment on that because it is still under analysis.

Mr. OTTINGER. I do understand that. Mr. FitzPatrick, at any rate, said that he does not rely on that argument. He was saying that contracts to Niagara satisfied the preference provision.

Mr. LAMKE. As far as the Federal Power Commission is concerned and what we have seen from PASNY, PASNY has continued, along with its contract—honored its contract provisions on withdrawable power. As a matter of fact, in PASNY's 1975 annual report, they specifically point out that they reduced or withdrew certain power from Niagara Mohawk, New York State Electric and Gas, Rochester Gas and Electric, and reallocated it for certain municipalities that they knew of.

Mr. OTTINGER. But you came to a conclusion. I would like to recognize counsel. You came to a conclusion that only 19 percent of the power produced by Niagara was being supplied to preference customers. That is a substantial deficit from the 50 percent that the statute provided.

Let me yield to counsel for a minute. Then we will let you respond.

Mr. NORDHAUS. You referred to one of the Niagara contracts and indicated that it did provide for withdrawable power which does in fact provide for withdrawal. Now, has the Commission—one of the questions, of course, that has been raised in this hearing is the question of the validity of the contracts. Are they in conformity with the statute and the provisions of the license for the Niagara project?

Has the Commission approved these contracts?

Mr. LAMKE. Excuse me. I would rather pick a different contract. Unfortunately, the one that I grabbed is the one that is at issue in this case that we haven't come to grips with, but the provision is the same in the other contract.

Mr. NORDHAUS. Let us talk about the NS–11 contract. You quoted from NS–1 or NS–11?

Mr. LAMKE. I quoted from NS–1.

Mr. NORDHAUS. Let us talk about NS–11. Has the FPC approved NS–11?

Mr. CORSO. We have not specifically approved the contract, but the terms of the contract seem to comply with the provisions of Public Law 85–159.

Mr. NORDHAUS. At the time that the contract was entered into, did the FPC review the contract, hold a hearing on the contract? To what extent did the FPC do anything more than just receive the contract and put it in its files?

Mr. CORSO. The contract, NS–1, the one I recall in particular, was originally filed, I believe, February 10, 1961, and we were principally reviewing the contract with respect to the replacement part for the Schoellkopf plant at that time.

Mr. NORDHAUS. Did the FPC at that time make any determinations or informal judgment that, for instance, the withdrawal provisions of the contract applied—of the statute applied to the contract?

Mr. CORSO. I am not aware that they made such a review.

Mr. NORDHAUS. In your opinion now, do you think that the withdrawal provisions of the contract comply with the statute?

Mr. CORSO. I did take a look at that particular matter. According to the numbers that are made available to us by PASNY, they presently have under contract to preference customers 359,292 kilowatts. The contracts, NS–1, NS–11, and NS–13, indicate that there are 430,000 kilowatts of withdrawable power.

Mr. NORDHAUS. That totals under 500 megawatts that is either committed to preference customers or which is withdrawable for the benefit of preference customers, isn't that correct?

Mr. CORSO. The total of those 2 numbers is roughly 790,000 kilowatts.

Mr. NORDHAUS. The numbers were what?

Mr. CORSO. 359,292.

Mr. NORDHAUS. 359 and 292?

Mr. CORSO. 359,292 kilowatts.

Mr. OTTINGER. That is contracted?

Mr. CORSO. That is contracted to preference customers.

Mr. OTTINGER. What is the 292?

Mr. CORSO. 359,292 is a six-digit number.

Mr. NORDHAUS. Then, if you add to that——

Mr. CORSO. The 430,000 kilowatts withdrawable firm power.

Mr. NORDHAUS. If I understand it, that is less than 140, that only 140 is currently withdrawable. Isn't that the case?

Mr. CORSO. I am speaking to a filing made by PASNY this past January.

Mr. NORDHAUS. Maybe we should just clarify this point. We should find out from Mr. FitzPatrick what the current situation is.

Mr. FITZPATRICK. 430,000 Niagara kilowatts were sold to 3 utility companies serving the combined St. Lawrence-Niagara areas, subject to withdrawal for the reasonably foreseeable need of priority customers, 250,000 was intended for customers within the State and 180,000 was held in anticipation of demands from without the State. And the 180 demand from outside the State has been met, so that there is now 140,000 of that total of 430,000 which is left on a withdrawable basis.

Mr. NORDHAUS. So 140 is left?

Mr. FITZPATRICK. That is right.

Mr. NORDHAUS. So we add it up—the sum of the amount of power that is under contract to preference customers now and the amount that is withdrawable—we would come out with approximately 500 megawatts, is that correct?

Mr. CORSO. I think we have a problem with the numbers, 359,292 kilowatts that I mentioned already includes the 180,000 to out-of-State customers. So we have a disparity in the numbers.

Mr. NORDHAUS. All we are trying to determine here is the aggregate of amounts presently under contract to preference customers, including out-of-State, and amounts which currently are withdrawable from nonpreference customers.

Am I correct, Mr. FitzPatrick, that that sum is approximately 500 megawatts?

Mr. FITZPATRICK. That is right. Close enough.

Mr. NORDHAUS. Mr. Corso, do you agree with that total?

Mr. CORSO. 500 megawatts left that can be allocated?

Mr. OTTINGER. No. Five hundred which have either been contracted for by preference customers or which are presently withdrawable.

Mr. NORDHAUS. This is the sum of 359 and 140.

Mr. OTTINGER. 359 contracted, and Mr. FitzPatrick says 140 which are still withdrawable.

Mr. CORSO. That does not agree with the data supplied by PASNY this past January.

Mr. OTTINGER. What are your figures?

Mr. CORSO. The data supplied by PASNY indicates that there are almost 360,000 kilowatts contracted for to in-State and out-of-State customers.

Mr. NORDHAUS. That much, I think everyone is agreed on.

Mr. CORSO. The contracts filed at the same time, January 21, 1976, indicate that there are 430,000 kilowatts of withdrawable power presently utilized by the nonpreference customers under contracts NS–1, NS–11, and NS–13.

Mr. NORDHAUS. Now, Mr. FitzPatrick has indicated that, whether or not this filing was in error or you misinterpreted it, that in fact there is only 140 withdrawable left.

Mr. FITZPATRICK. It depends upon the time of the filing too. I don't know what the time of the filing was.

Mr. CORSO. January 21, 1976.

Mr. NORDHAUS. Well, could I—I don't think there is any disagreement at this point as to assuming that—as to what the total is. There have been withdrawals from the original 430. The number that you gave us, the withdrawable, does seem to be the original number, so that the number you gave us can not reflect—it doesn't reflect the fact of the withdrawals of the period of 15 years since the project was started. But let me go on for a minute to what I think is the point that the members are concerned with, and that is: In your view, do the contracts NS–1, NS–11, and NS–13—do their withdrawal provisions comply with the terms of the statute, given the fact that it appears that they provide the—they do not provide for withdrawal of an amount necessary to permit preference customers to obtain the full 50 percent referred to in the statute?

Mr. CORSO. I think you have to try to understand what Mr. FitzPatrick is presenting. The whole matter is confused by his contention that you must deal with the original preference customers that were contracted with, and, whether or not that is appropriate, I would not like to speak to that frankly. I think that the contract per se——

Mr. OTTINGER. Isn't it the FPC's obligation to speak to that?

Mr. CORSO. In a specific proceeding, yes. If we have a complaint filed with the Commission, the Commission will in fact look at that very matter.

Mr. NORDHAUS. What you are saying, in a way, is that the question of the legality of the withdrawal provisions in these contracts has not been passed on by the Commission?

Mr. LAMKE. Excuse me. No, it has not right now, but that is one of the issues and one of the requested reliefs in the Massena and Sherrill filing. They specifically request that—well, they allege that we have unquestioned jurisdiction in the Commission to enforce the terms of the Niagara project power license, section 306 of the act, and under the terms of the license itself. So that is in issue in this particular matter to come up.

Mr. NORDHAUS. Perhaps Mr. FitzPatrick would like to comment.

Mr. FITZPATRICK. Mr. Nordhaus, I think that we can't deal with this matter in a vacuum. In other words, we have to deal with this matter as it existed at the time that the Power Authority, a business entity, was attempting to sell a large output from a large powerplant. It had to be the reasonable foreseeable quantity at the time that the contracts were entered into. Without that, you would, in the first place, have been unable to get the utilities to contract for these large amounts of power at a time which was totally different. The value of this power to the utilities was different then than it is now.

Mr. NORDHAUS. Mr.——

Mr. FITZPATRICK. May I just finish? To me, it seems to be totally impractical to attempt here in 1976 to say that the Power Authority at that time should have left this in a vacuum, should have not

made a contractual obligation to sell that power on which it based the sale of its bonds and which laid the foundation for the success that the Power Authority has had financially over all these years in its commitments to its contracts and its capacity to finance its plants, which have resulted in one financing after the other and one plant after the other, including the acquisition of the two plants which are now serving Westchester and New York City.

Mr. OTTINGER. Well, I mean the issue here is, how you define "reasonably foreseeable," and don't you have, in fact, to keep 50 percent of the capacity of that plant available for future needs? You are saying "no." that you could have contracted as you did. There is no question whether you could have contracted or not. The question is whether you had to put a withdrawable provision in with respect to 50 percent of that power. You are saying "no".

Mr. FITZPATRICK. You and I are going around and around on the same point. You are, in effect, saying, as you said at the beginning, that we had an obligation to contract at that time for 50 percent of the power. I say we did not.

Mr. OTTINGER. You had an obligation to keep——

Mr. FITZPATRICK. We had an obligation——

Mr. OTTINGER[continuing]. To keep at least 50 percent available for preference customers.

Mr. FITZPATRICK. We had an obligation, as the statute says, to give preference to the customers. If we had no customers, the plant could certainly not have been left mid-way in completion or under-financed.

Furthermore, you can construe this as meaning available at the end of whatever contracts were made. But, anyway, to pursue this problem doesn't resolve for you the question which is really foremost in your mind, specifically with respect to your county, in obtaining power, without in some way, as I see it, abrogating an existing contract. And I think that is perfectly clear. Do you agree that that is clear?

Mr. OTTINGER. Well, I think there is a question as to the legality of those contracts under the statute. I think that you are obliged—were obliged to put withdrawable provisions up to 50 percent.

Mr. FITZPATRICK. We have a difference of opinion about that, but you do agree that you can't get any without abrogating some existing contract?

Mr. OTTINGER. Not being 100 percent up on the contracts, I think that, to get adequate power for Westchester, you would have to enforce the provisions of the statute with respect to withdrawable contracts. If you have in fact contracted for too much on a non-withdrawable basis, you would have to abrogate those contracts.

Mr. FITZPATRICK. That is a matter of judgment, and that was the judgment of the trustees at the time. And, in order to do it, I still persist in my question. I know of no way and I ask you if you know of a way that it can be made available without abrogating an existing contract.

Mr. OTTINGER. I would like to recognize counsel at this point.

Mr. NORDHAUS. Mr. FitzPatrick, could I—just so we have—a couple of questions that I think would be helpful in order to clarify the subcommittee's record.

Mr. FITZPATRICK. Sir, if I don't interrupt your train of thought, may I get something into the record which is very small? You asked a question about the requirements for Long Island municipals, and I wanted to put the correct figure in. It is 85,000 needed for the Long Island municipals and about 54,000 for Jamestown. I am sorry to interrupt.

Mr. NORDHAUS. That is all right. The train hadn't really started yet. I have made some initial calculations as to how much on the basis of the initial contracts—how much project power was originally contracted for with preference customers and how much of it was withdrawable, and am I correct that approximately 3.5 percent project power was contracted for with preference customers back in 1961?

Mr. FITZPATRICK. I will have to ask——

Mr. NORDHAUS. Eighty-four megawatts out of your dependable capacity of 2.4?

Mr. FITZPATRICK. I haven't made the mathematical calculation. I will ask my staff.

Mr. NORDHAUS. And that, if you added approximately 430, the 430 megawatts that was withdrawable, to the total of the amount allocated to preference customers by contract and that which was withdrawable for the future needs would be about 21 percent of project power?

Mr. FITZPATRICK. We will give you those in just a moment.

Mr. NORDHAUS. Assuming for purposes of the discussion anyway that those numbers are correct, it appears that you in 1961 entered into contracts which precluded public bodies from obtaining during the life of the contracts approximately 29 percent of the 50 percent they were entitled to under the preference clause.

Now, the question, I gather, is: Did the withdrawability requirements of the statute require you to provide for withdrawability in order to satisfy the full 50 percent, or would some lesser sum do as being that which was reasonably foreseeable?

And I think at this point it would be appropriate if you would tell us how the Power Authority determined what was reasonably foreseeable back in 1961. What was the basis of their judgment that public bodies would not need more than 21 percent of the project power at the end of these contracts, which was approximately 1990?

Mr. FITZPATRICK. Well, I think you have to take that in its historic perspective, and I have in my prepared statement—and I was just looking for it—a recitation of the situation which existed with respect to the public entities at the time.

I think it is very important to note that, at the time the St. Lawrence power first came on, it was anticipated that there would be a great rush or some rush certainly toward municipal power. There wasn't. And in all those intervening years, until we got to the point where the Arab boycott inflated very appreciably the cost of power, there wasn't this great interest in forming municipals and in seeking power.

Mr. NORDHAUS. Didn't you and Mr. Ottinger have some discussion about this way before the Arab boycott?

Mr. FITZPATRICK. We had some discussions some 7 years ago, as I indicated, when he referred to the Federal Power Commission. He was then, as he is now, seeking in effect to have additional power delivered to the area which he represents.

The arguments against that were basically the same as they are now, except that there is a very, very great difference between the situation as it existed then and the situation as it exists now, because the Power Authority has undertaken to supply the very same area which it was then contended to be deficient in power.

Mr. OTTINGER. But that is much higher cost power. The question is that when you made that original determination, I recall from reading the legislative history and from reading your submission that you were proceeding on the basis that the only area that you had to serve from the Niagara project was an area within 150 miles, and at that time there were in fact transmission lines in existence around the country that went farther than that.

Mr. FITZPATRICK. Not economic transmission, which is a very important point.

Mr. NORDHAUS. Well, you said in your own testimony that PASNY, which tries to exercise business judgment on its operations, itself constructed a 200-mile transmission line at that time which seems to undercut somewhat the assertion that 150 miles was an economic transmission distance.

Mr. FITZPATRICK. Let us go back, if we may, to your first question as to how it was ascertained at the time. And, incidentally, I, of course, was not at that time chairman of the Power Authority. The economic area of the St. Lawrence market, which was the first market served, was determined to be an area most of which is within 150 miles of the project. It was determined at that time that, if the power had been sold over a much larger area, in view of its amount and the cost of transmission, that the economic impact of that would be de minimus. And the limited transmission facilities available at that time made it impossible to carry power a great deal further at reasonable rates.

Now, I think it is most important to note that in 1931—this is particularly important as to what was or wasn't foreseeable—there were 47 electric municipal systems in the State, most of which were formed around the turn of the century.

Between 1931 and the present, only one additional municipality, Plattsburgh, has engaged in the distribution of electricity. It began operation in 1941. During the intervening period, three municipals—Herkimer, Dunkirk, and Delevan—went out of the electric business. And, by referendum, the establishment of a municipal system in the city nearest to the project, Ogdensburg, was turned down while the project was under construction. Recently, two municipalities have voted to establish municipal systems, Massena in 1974 and Sherrill in 1976. Neither has succeeded in establishing a system.

And, for the record, I want to make it very clear that the Power Authority has not turned down, as might have been implied, applications for either Massena or Sherrill. I mentioned Sherrill before. And any argument on transmission is an argument between those entities and the Niagara Mohawk Power Corporation.

The Authority recognizes that 50 percent of—at the time that we set up the 50 percent arrangement—made arrangements to sell power for the benefit of people as customers through the utilities with which public bodies amount to more than the 50 percent now, and I don't think that I made any statement that the sale to utilities did not

comply with preference provisions of the act. I made no such statement, to my knowledge. I was distinguishing between those sections of the power which were set apart on a purely withdrawable basis in complete compliance with the act and that portion of the power which we sold as a pass-through to and for the benefit of the people, which I believe is in compliance with the act.

Mr. NORDHAUS. Well, that is the question that we started with, whether in fact it was—and I would just like to pursue the original question on how you determined the reasonably foreseeable needs. Was it based on a projection of the increase in demand on the part of the preference customers who then in 1961 had indicated they would contract for PASNY power?

Mr. FITZPATRICK. Well now——

Mr. NORDHAUS. Is that the basis?

Mr. FITZPATRICK. Mr. Nordhaus, I was not chairman at that time, but we have here Mr. Thomas Moore who at that time was general counsel to the Power Authority who I am sure can answer that question, if you would like him to do so.

Before he does, I think it should be made clear, in response to a question that Congressman Dingell asked about whether any of the contracts or questions relating to those—as to whether any of the contracts were actually before the Kerr Committee, Mr. Moore advises me that the St. Lawrence contracts which called for the passing on of savings were submitted.

Would it be permissible for Mr. Moore to respond to your specific question?

Mr. OTTINGER. I refer also to the clause in the report, the dissent by Senator Neuburger, which says that the reasonable assumption that 250 or 300 miles is the economic transmission distance at the time of the passage of the act.

Mr. FITZPATRICK. I don't know. I haven't seen it. I can only suggest that a dissenting view in the Senate, as in a law case, is not the prevailing opinion.

Mr. OTTINGER. But the question is in determining reasonably foreseeable needs on which you based your decision as to how much you had to set aside, setting aside on the basis of 150 miles as an economic transmission. This was not a sound basis for making the decision.

Mr. FITZPATRICK. I would like Mr. Moore to respond, but, before he does, may I say, whether it was 150 miles or 200 miles, all of the people who were preference customers who wanted the power at the time got it, to the full extent that they wanted it.

Mr. NORDHAUS. That is not the question we were asking. The question was whether you can reasonably project the anticipated needs. I think Mr. Ottinger would want Mr. Moore to respond to that, if he could come up and do so.

Mr. OTTINGER. It would be fine.

Mr. MOORE. Yes, sir. Well, to get oriented on this, I guess I had as much to do with drawing the Niagara Redevelopment Act as anybody, except that Senator Kerr and an engineer who worked for him who came from Oklahoma also—I don't remember the man's name. He was a very intelligent man. Basically what they did was that they took a bill which the Power Authority had gone over,

and they adapted it. One of the great problems was that Senator Javits told the Kerr Committee in testimony, and also wrote letters on the subject, that there was a very grave legal question as to whether or not the New York State Power Authority could accept a license for the Niagara project if the license or the statute upon which it was based contained the usual, typical preference provision. Then, just glancing through——

Mr. OTTINGER. That preference provision was for 100 percent.

Mr. MOORE. That was part of the compromise. That is where you got the 50 percent. That was part of the compromise.

Anyway, I think he testified to that. Now, the Power Authority indicated what it intended to do if it didn't get the bill. I think you will find on page 77 of the report what the Power Authority intended to do. It intended—you see, Senator Javits told the committee that, inder New York State law, both preference curtomers in the form of municipals, rural and domestic consumers served by municipals—both those served by municipals and those served by private power companies were entitled to a form of preference, in other words that the—it is right in the book, that the domestic and rural consumers—you will find those words right in the front part of that paragraph that you and the chairman have been discussing of the 1957 Niagara Redevelopment Act.

Now, in the process of all that, the Power Authority submitted a prospectus as to what it would do and could do if it were authorized to do it.

Now, as the chairman said, there hadn't been a single new municipal in years and years and years. I was raised in one. If you look at the map and you look at the tables here, you will find that, with the exception of Plattsburgh, which was unusual—Plattsburgh is a city that has a lot of people—but that all the little villages—the municipals are all little villages, and they came to be municipals because there wasn't a power company around which would serve them back then. So there is a whole string in the Mohawk Valley—Frankfort; Ilion; Mohawk, where I was raised; Herkimer, across the river—all of which were formed in 1901, 1902, or 1903. Boonville up north of Utica.

Now, those villages were going down in population. They weren't going up. I mean what happened in those little industrial towns was that there was no growth. So what was done was that the history—now, in the first place, there wasn't any strong assumption that there would be more municipals, but it was assumed that the Power Authority would sell to all of them in upstate New York except Jamestown and, even for this purpose, Jamestown was thrown in and Massena, I think, which wasn't yet and hasn't been municipalized even yet, was counted.

So on the historical basis, a prognosis was made as to how much power could reasonably be anticipated to be used by those municipals in 25 years, and I just noticed in one of the memoranda in here that that apparently came at the request of the municipal association. What is the name of it? The New York State Municipal Electric Association wanted to be assured that it would have enough electricity for 25 years in the high-growth plant, and that was how—so, anyway, the prognosis was made on the basis of history.

Mr. OTTINGER. The basic compromise that was reached, the basis of Senator Javits' effort was not to require 100 percent be supplied to municipals, but 50 percent, and that is what appears in the statute. And that has been interpreted by the FPC to mean just what it says. It has to go to municipals when, as, and if they apply, and not to public utilities for whom in the statute specifically——

Mr. MOORE. I am sorry to disagree with you, sir. You mentioned one of the compromises. The 50 percent was one, but what to do with the 50 percent is another. Now, the 50 percent does not say, as the chairman says—Chairman FitzPatrick says, that all that electric is going to go to preference customers. It says that the 50 percent—the first thing it says——

Mr. OTTINGER. At least.

Mr. MOORE. At least—the first thing it says—it puts emphasis on 50 percent of the power—in order to assure that at least 50 percent of the project power shall be available for sale and distribution primarily for the benefit of the people as consumers, particularly domestic and rural consumers.

Now, that does not say people as consumers, domestic and rural consumers who are served by municipal electric systems or by rural electric cooperatives. And there wasn't a man in the room when the hearings were being held who ever expected that that would happen in New York State.

But, in any event, to quickly answer the rest of your question, we finally came up with and presented to Congress a prognosis of 200 megawatts, 200,000 kilowatts, and that is what is in the book here. That is the report of the Kerr Committee.

But what the Power Authority did was to raise that to 250, 250,000 kilowatts, and sold on a withdrawable basis more than was suggested by the committee.

Now, in addition to that, on page 77, you will find——

Mr. OTTINGER. Those are the hearings, am I correct?

Mr. MOORE. That is correct—that you are talking about a legislative history. This is legislative history. What we have here—we have here what the Power Authority intended to do. It was going to sell to 3 companies, whose names have been mentioned before 730,000 kilowatts for the benefit of rural and domestic consumers. Now, that meant the pass-through arrangement which—with which the committee was familiar, because it had been presented with it and there had been discussions of the St. Lawrence contract.

Anyway, then it says municipals, including Jamestown, rural electric cooperatives within economic transmission which can use and pay for the power—125,000 was all they had then. So—that was in 1955. The hearings were in 1957. But, in any event—so you really had two compromises, and that is how that prognosis came about.

I am sure—I have had many, many discussions with—Judge Roseman and I talked to Senator Kerr probably 20 times, and I talked to his man who did the work 50 times, and we had gone over this time and again, and what has been done here is precisely what was contemplated.

Mr. OTTINGER. Well, the statute says that preference is to go to public bodies and cooperatives irrespective of to whom they sell. It seems to me the ultimate recipient is clearly contrary to the statute

and clearly contrary to the opinion of the Federal Power Commission in its July 21 order.

Mr. MOORE That had to do with the FitzPatrick powerplant.

Mr. OTTINGER. You are not frozen in concrete in determining what the future needs are going to be, and making that determination on the basis of 150-mile radius, I think, is subject to serious challenge, because in the report itself it is indicated that at that time it was considered that 250 to 300 miles was an economic transmission distance.

Mr. MOORE. As far as that is concerned——

Mr. OTTINGER. If I may, in the 1970 power survey, part I, chapter 13, based on 1960 data, it shows that economic transmission distance is over 200 miles, up to 400 miles or more, for loads of 400 megawatts.

Mr. FITZPATRICK. There weren't any 200 to 400 megawatts municipals looking for load.

Mr. OTTINGER. There weren't any looking for loads. You are quite right. But the statute specifically provides for what was unanticipated and what was to happen in the future. Congress just had more prescience than the Power Authority in that they provided for the future. They said that there must be provision for future unanticipated needs.

Mr. FITZPATRICK. Unanticipated?

Mr. OTTINGER. Reasonably foreseeable needs.

Mr. MOORE. All I can tell you——

Mr. OTTINGER. We have two other witnesses. I wondered if there was anything that the Federal Power Commission would like to add or that Mr. FitzPatrick——

Mr. MOORE. Just one sentence. I want to tell you that that was not in the minds of the people who wrote that bill—your interpretation was not the interpretation of the committee at that time. I am absolutely sure.

Mr. OTTINGER. That is what appears in the committee report and what appears in the statute and it appears in the Commission's subsequent interpretation of the statute.

Mr. MOORE. I don't know about the Commission's subsequent interpretation. I don't even know what that July 21 order is. Did it have to do with Niagara power project? With FitzPatrick? That isn't under Federal statute, except that it has a Nuclear Regulatory Commission license.

Mr. OTTINGER. This is interpreting the Niagara Power Act. Anything which the witnesses would like to add in closing? I think the issue is pretty well drawn.

Mr. FITZPATRICK. We appreciate having the opportunity to be here. We have no further testimony.

Mr. OTTINGER. I would like to hear—there are two witnesses from Westchester County.

Mr. FITZPATRICK. Thank you.

Mr. OTTINGER. Does the Federal Power Commission have anything that it would like to add to throw light on this issue?

Mr. CORSO. No, sir.

Mr. OTTINGER. I would like to say that I am pleased that the Federal Power Commission is now going after this information with

respect to the potential demands. I was a bit concerned that it had not been done in the past.

Mr. CORSO. As I said, there was no indication in the past as to the frequency of the requests. Now I think it dictates some further looking into the matter.

Mr. OTTINGER. Thank you very much, Mr. FitzPatrick, for being with us, for your patience, and representatives of the Federal Power Commission.

Our next witness is the Honorable Ronald Tocci, a member of the county legislature of Westchester County. Perhaps Mr. Vincent Matrone would like to come up with him at the same time, since they both are representing Westchester County. Mr. Matrone is representing the Honorable Alfred B. DelBello, county executive, Westchester County, who had a conflicting appointment. He told me personally that he would very much like to be here, and that he is very supportive of this effort.

I am pleased to have you both here. Mr. Tocci has dug up a lot of the information that we have used in these hearings. He has been pursuing this matter ever since he has been in the county legislature and doing so very effectively. Mr. Tocci, we are very pleased to have you with us and hear your statement. If you could summarize, that would be helpful.

STATEMENTS OF HON. RONALD TOCCI, MEMBER, WESTCHESTER COUNTY [NEW YORK] LEGISLATURE, AND VINCENT MATRONE, CHIEF FISCAL OFFICER, WESTCHESTER COUNTY, NEW YORK

Mr. TOCCI. Thank you, Mr. Ottinger. I want to also extend my appreciation to Chairman Dingell for taking his time. It is a very, very difficult day and I understand your workload has forced you to extend yourselves beyond physical limits. I will be brief.

I would just like to make a few specific statements. There was some testimony that was rendered here this morning that I felt needed some comment. I would like to preface my statements with the fact that Westchester County right now, because we are part of the Con Ed New York greater region—People who pay the electric rates are paying 2½ times the national average and twice the State average. It doesn't make me feel any better to say this.

I would also like to say that traditionally the United States of America has been the biggest and the cheapest producer of power in the world. Belgium, just to draw an analogy, which has to import almost all of its oil, has been the highest. We have overtaken Belgian utility rates, so that is one of the reasons why we are here today.

I would like to give you some very, very brief history as to what the county government has done, particularly in trying to bring some relief to our power users in the county.

We initiated an action back in January of this year, after several years of negotiations with Con Edison, where we tried to get New York State Electric and Gas, which serves a small portion of Westchester County, to extend its service, since they charge almost one-half of what Con Edison does. We asked for a show cause order from the PSC, from Con Edison, and also from New York State Electric and Gas Co., why they could not, and, after a considerable time period, we received communications from all three agencies in-

forming us that it would be impossible at this time because New York State Electric and Gas lacked the capacity to provide the needed wattage to the Westchester County area and that, if they had to comply, the rates would be escalated some 600 percent.

After not completely dropping that particular avenue or at our direction, we proceeded to try to break away from New York City through Con Edison's structure with a separate rate structure, and we are still in negotiations with Con Edison on that. It seems that the Public Service Commission has completely unheeded any of our advice and recommendations and testimony and continues to give us one increase after another.

We have also asked for a breakdown of charges and formula as to how the charges are applied to Westchester and New York City, which we cannot get, and, from my understanding from Con Edison officials, they don't keep their books accordingly and it would take years to decipher the entire greater New York region as to a breakdown of New York City and Westchester County costs.

Mr. OTTINGER. We asked for that information and we were unable to get it, and we are going to ask the Public Service Commission to prepare that breakdown for us, which I think is very important.

Mr. TOCCI. With that little bit of history past, I would like to answer what we have been listening to, the application from the Westchester County government for capacity power, and I would like to just bring out a point that was not raised.

I learned quite a bit this morning. It is my understanding that in 1968 the Power Authority was authorized by the legislature to build any kind of facility anywhere in the State. As with previous legislation, it has to be considered primarily as for the benefit of the people of the State as a whole and particularly, primarily, for the use of the domestic and rural consumers.

Now, for most of our interrogations from your part and from the replies, I get the impression that PASNY spokespeople are still living with the initial legislation that created the agency.

Now, this 1974 legislation that enabled them to purchase these two plants that have been spoken about has actually precluded the residential and domestic user from taking advantage of this cheaper electricity.

Now, I would like to understand or I would like to get some kind of an explanation, if possible, exactly how one particular piece of legislation that still stands and is still part of the statute in the State of New York and still comes under the auspices of the Federal Power Commission does not apply to PASNY just because they amended the act in 1968.

I was very, very happy to hear Mr. Moore state that this was the intent of the State legislature and they have been trying to comply with the intent of providing relief to the residential or domestic user.

The other point that I would like to make is that, in reference to the contracts, it is my understanding that they authorized to enter into reasonable and proper contracts. No one mentioned length of time, but I would assume that a length of time of 10, 15, or 20 years doesn't seem to be reasonable or proper when dealing with anticipated growth statewide, and also the very, very vital need of electricity for the expansion of domestic and residential growth.

So I would think that there is definitely cause for some kind of doubt as to the validity of most of these contracts. I think that that has to be taken into consideration when you think of preference customers. At the same time, I think residential and domestic users are definitely preferential customers and should be treated accordingly.

One particular point that I did not hear mentioned in the rate-setting structure that is set up, I understand, jointly by PASNY and PSC—I understand the Federal Power Commission did at one time consider and had the auspices to go in and review whether or not you include in your base formula the cost of construction of new plants.

Now, if they had the authority and could possibly regulate the rate-setting formula in that particular instance, I would wonder if they could take into consideration the transfer adjustment charge, which is very, very basic and vital to bringing some kind of equitable kind of formula into Westchester County, since PASNY does set their rates on a municipal-by-municipal basis. I would like that looked into.

New York State Electric and Gas is also buying power from PASNY, and I understand that the total amount of power that Westchester County would need from the Con Ed grid system is something like 8 percent. It is 8 percent now. We are only talking about 300 additional megawatts of power. I don't see how it would be a drain on either PASNY or would be detrimental to the effect of being a tremendously economic deterrent to the viability of Con Edison if it were withdrawn from them.

Mr. OTTINGER. Had we had time, I would have had a Con Edison representative here, but it is certainly one of the remarkable phenomena that New York State Gas and Electric, a neighboring utility, got some of the PASNY Niagara power. Niagara Mohawk got a huge hunk of it. Rochester Electric got some of it. And Con Ed got none of it. That does not do for our customers anywhere near what could be done by getting our entire demands met through the Niagara project as a municipal electric, as a preference customer. It certainly would alleviate the rates very substantially.

I in the past—7 years ago, after we had a go-round with Mr. FitzPatrick, I made a specific request to Charles Luce, the chairman of Con Ed, to seek to require the obligation of the other contracts and to—on the theory that Con Ed was entitled to its fair share as among the utilities. He declined to do so. That could have made a substantial difference if Con Ed had done that. I understand the reason Con Ed has never applied for that is because it has had a philosophy that it is just completely inadequate to the purchase of any kind of power.

I think your work in this respect is just first rate.

Mr. TOCCI. Thank you. I would like to bring out one other statistic, and that is the fact that, although PASNY will be supplying Con Edison with some power, they are running reserves as much as 20 percent, and that is from their own facts and statistics.

I think what we are dealing with basically is not a problem of whether or not there is abundance of power to at least accommodate the needs of today and the next few years, but we are talking about a problem of how to redistribute the cheaper power on an equitable

basis so the intent of the public benefit corporation, PASNY, is upheld statewide, and what we are asking for in Westchester County is at least a fair and reasonable settlement for our share of power like that that is provided to and has traditionally been provided to upstate communities.

And we think it is ludicrous to think, just because there may not have been transmission or an anticipation by the trustees of the Power Authority back 10 or 15 years ago—for them to say that they would have to abrogate some of their contracts now to provide us with what is rightfully and legally ours now. It is just unheard of. Obviously it doesn't make sense to build new plants for the sake of building plants, to provide cheaper power, when there is an abundance of power already in the State, and that should be obvious, since everybody is being satisfied.

I think that maybe with your help and with the Federal Power Commission's cooperation we can certainly work out the kind of redistribution of this wholesale power that we intended to take advantage of when we created this agency in New York State, and with the help and regulation of the Congress we can.

We have with us the county executive's representative, Vincent Matrone, our chief fiscal officer. I know he has a few very interesting statements.

I want to take this time to thank you, Dick, for a tremendous job in your fight that's going on for years and years, and I think that this is commendable on your part, and I want to thank the committee members and everybody here today for taking the time listening to us.

Mr. OTTINGER. I thank you for coming.

We will hear now from Mr. Vincent Matrone, representing County Executive Alfred DelBello, who, since he has been in office, has been taking up this question. And I hope we will hear from you on this, making arrangements to apply to PASNY for power. Our problem 7 years ago was that this issue was brought up in a vacuum. We were trying to get some municipals to apply and we were trying to get Westchester County to apply. At that time Westchester County showed no interest at all. Under the enlightened leadership of our present county executive, he has set the wheels in motion and is making a determination, as I understand it, as to the creation of a proper kind of entity to make this application. We will be able to test, therefore, the legality of the refusal of the New York Power Authority to grant us a share of the preference power, which is the subject of our discussion.

Mr. Matrone, glad to have you with us.

STATEMENT OF VINCENT MATRONE

Mr. MATRONE. Thank you, Congressman. My remarks will be brief, and I would like the statement as part of the record.

Mr. OTTINGER. The statement will be included as part of the record [see p. 277].

Mr. MATRONE. I am the chief fiscal officer of the county of Westchester, N. Y., and a member of County Executive DelBello's energy task force. I come before you today because the residents of Westchester County need your help.

Over the last 10 years, Consolidated Edison, the county's franchised monopoly and principal source of electricity, has increased the cost of 500 kilowatts hours of electricity per month, average bill, from $14.68 to $44.09. In contrast, the consumers of the city of Plattsburgh, N. Y., who are supplied power from the Power Authority of the State of New York, pay only $5.35 for the same 500 kilowatt hours.

Faced with Con Ed's ever-increasing rates, our county has seen businesses flee from our borders, additional financial pressures placed on our own residential customers, and a severe curtailment of our economic growth.

For our part, the Westchester Electric Power and Energy Resources Task Force has begun to study the feasibility of establishing a county-owned power distribution system, as well as other alternatives to replace Con Edison as the principal source of power for the county.

Working in cooperation with our 6 cities, 18 towns, and 22 villages, we have almost completed a massive and detailed analysis of the company's holdings in Westchester to ascertain the percentage in dollar amount of total tax revenues paid by Con Edison in each of these communities.

In addition, our legal staff is currently in the process of examining contracts between PASNY and its various customers, including many of the investor-owned utilities and municipal power systems. This has been done in order to insure that PASNY is following its legislated mandate as to its distribution patterns.

PASNY was established to provide electrical power for the people of the State of New York as a whole, not limited to any specific region. Its license, as founded in the Federal Power Commission Act, was based upon its distributing electrical power to all the people of the State of New York on a fair and equitable basis.

Since it has divested such a high percentage of said power to upstate New York, there has been a limited power source left from which the remaining portion of the state and its consuming public can draw.

When our county's resident businesses and families cannot derive its power directly from PASNY, but are excluded from its favored treatment and are forced to rely exclusively with one of the investor-owned utilities, at rates far in excess of those available through PASNY, it is time to re-evaluate PASNY's role as a public power utility.

Unless your honorable subcommittee, together with the Federal Power Commission, the New York State Public Service Commission, and the newly created Westchester Electric Power and Energy Resources Task Force, join in challenging PASNY's current practices that exclude the nearly 1 million residents of Westchester from the benefits of moderately priced electricity, now sold to residents of upstate New York, there will be no end in sight to our skyrocketing electric rates.

The effect of these never-ending rate increases has been economically devastating. Every segment of our population has been forced to allocate more and more of their total family budgets to pay for electricity, cutting deeply into the amount of disposable income that could help to invigorate the retail sales so desperately needed by our county's decaying downtown areas.

Homeowners, particularly those who were unfortunate enough to have purchased all-electric homes or condominiums, have in some cases abandoned their expensive homes to live in trailers because their monthly electric bills exceed mortgage payments. Frequently, these homeowners are unable to sell their "all-electric elephants" without incurring drastic financial losses.

As always, the working poor, aged, indigent, and disabled suffer the greatest hardship. The irony is that, as rates increase, the number of people unable to pay these increases swells Con Ed's account ledger as uncollectables. In 1974, this amounted to over $25 million.

In response to the plight of individuals who simply can't pay their monthly electric bills, Con Ed has expanded its collection department, thereby increasing operating costs that the New York State Public Service Commission includes in determining further rate increases. In turn, higher rates mean more "collection expenses" that produce ever higher rates.

Severe increases in the cost of electricity has stymied industrial and commercial expansion, depressed new housing starts, and all but eliminated Westchester as a place to build new industrial and commercial enterprises. What this means is that Westchester is losing jobs, and, with a loss of jobs, a loss of taxes by municipalities who are then obligated to fill the gap between incoming revenues and expenses by raising the burden of additional sales and property taxes.

The effect of these incredible rate hikes does not tell the entire story. The worst is yet to come. For, despite the decline in overall electric sales from 1971 to 1975, the consumer is habitually confronted with one rate increase after another. It is as though a man or woman reduces their caloric intake by one-half, yet continues to gain weight week after week.

Perhaps my analogy is a gross understatement of the grim reality that faces both the residential and industrial consumers of Westchester. At the very least, an individual can seek relief from medical science. Needless to say, to find an alternative to Con Ed will take much ingenuity and many hours of research.

The plain truth is, however, that Con Ed can no longer be permitted to continue to exercise its privileged position as a franchised monopoly inflicting severe economic hardship on the people of Westchester. PASNY must become accountable to all the people of the State of New York and not favor one portion of our state to the detriment of all the other consumers within our borders.

Consequently, I urge your honorable subcommittee to carefully examine the legislative intent behind the creation of PASNY contrasted to its present operations in order to evaluate its discharge of duties as a source of public power.

Con Ed's service area exceeds some 8 million customers, or, in relative terms, is larger than 43 states. If any one of these states faced the power crisis which we are presently entertaining, the Federal Government would declare a national emergency. Surely there is something that your honorable subcommittee can do.

For your additional information, I submit to your subcommittee today copies of but a small fraction of the many hundreds of letters, telegrams, communications, and phone calls that have literally inundated my office since last July.

I thank you.

[Mr. Matrone's prepared statement follows:]

STATEMENT OF VINCENT MATRONE, CHIEF FISCAL OFFICER, COUNTY OF WESTCHESTER, NEW YORK

Mr. Chairman, members of the Subcommittee, my name is Vincent Matrone. I am the chief fiscal officer of the County of Westchester, State of New York, and a member of County Executive Alfred B. Del Bello's energy task force. I come before you today because the residents of Westchester County need your help. Over the last ten years, Consolidated Edison ("Con Ed"), the County's franchised monopoly and principal source of electricity has increased the cost of 500 kilowatt hours of electricity per month (average household monthly average) from $14.68 to $44.09. In contrast, the consumers of the City of Plattsburg, New York, who are supplied power from the Power Authority of the State of New York ("PASNY") pay only $5.35 for the same 500 kilowatt hours. Faced with Con Ed's ever-increasing rates, our County has seen businesses flee from our borders, additional financial pressures placed on our own residential customers, and a severe curtailment of our economic growth, for our part, the Westchester Electric Power and Energy Resources Task Force has begun to study the feasibility of establishing a County-owned power distribution system as well as other alternatives to replace Con Ed as the principal source of power for the County. Working in cooperation with our six cities, eighteen towns, and twenty-two villages, we have almost completed a massive and detailed analysis of the company's holdings in Westchester to ascertain the percentage in dollar amount of total tax revenues paid by Con Ed in each of these communities. In addition, our legal staff is currently in the process of examining contracts between PASNY and its various customers (including many of the investor-owned utilities and municipal power systems) in order to insure that PASNY is following its legislated mandate as to its distribution patterns. PASNY was established to provide electrical power for the people of New York State as a whole, not limited to any specific region. Its license, as founded in the Federal Power Commission Act, was based upon its distributing electrical power to all the people of the State of New York on a fair and equitable basis. Since it has divested such a high percentage of said power to upstate New York there has been a limited power source left from which the remaining portion of the state and its consuming public can draw. When our County's resident businesses and families cannot derive its power directly from PASNY, but are excluded from its favored treatment and are forced to rely exclusively with one of the investor-owned utilities, at rates far in excess of those available through PASNY, it is time to re-evaluate PASNY's role as a public power utility. Unless your Honorable Subcommittee, together with the Federal Power Commission, the New York State Public Service Commission and the newly created Westchester Electric Power and Energy Resources Task Force join in challenging PASNY's current practices that exclude the nearly one million residents of Westchester from the benefits of moderately priced electricity now sold to residents of upstate New York, there will be no end in sight to our skyrocketing electric rates. The effect of these never ending rate increases have been economically devastating. Every segment of our population has been forced to allocate more and more of their total family budgets to pay for electricity, cutting deeply into the amount of disposable income that could help to invigorate the retail sales so desperately needed by our County's decaying downtown areas. Homeowners, particularly those who were unfortunate enough to have purchased all-electric homes or condominiums have in some cases, abandoned their expensive homes to live in trailers because their monthly electric bills exceed mortgage payments. Frequently, these homeowners are unable to sell their "all-electric elephants" without incurring drastic financial losses.

As always, the working poor, aged, indigent and disabled suffer the greatest hardship. The irony is that as rates increase, the number of people unable to pay these increases swell Con Ed's account ledger as uncollectables. In 1974, this amounted to over $25,000,000. In response to the plight of individuals who simply can't pay their monthly bills, Con Ed has expanded its collection department thereby increasing operating costs that the New York State Public Service Commission includes in determining further rate increases. In turn, higher rates, mean more "collection expenses" that produce ever higher rates.

Severe increases in the cost of electricity has stymied industrial and commercial expansion, depressed new housing starts and all but eliminated Westchester as a place to build new industrial and commercial enterprises. What this means is that Westchester is losing jobs, and with a loss of jobs, a loss of taxes by municipalities who are then obligated to fill the gap between incoming revenues and expenses by raising the burden of additional sales and property taxes.

The effect of these incredible rate hikes does not tell the entire story—the worst is yet to come. For, despite the decline in overall electric sales from 1971–1975, the consumer is habitually confronted with one rate increase after another. It is as though a man or woman reduces their caloric intake by one-half yet continues to gain weight week after week. Perhaps, my analogy is a gross understatement of the grim reality that faces both the residential and industrial consumers of Westchester. At the very least, an individual can seek relief from medical science. Needless to say, to find an alternative to Con Ed will take much ingenuity and many hours of research. The plain truth is, however, that Con Ed can no longer be permitted to continue to exercise its privileged position as a franchised monopoly inflicting severe economic hardship on the people of Westchester. PASNY must become accountable to all the people of the State of New York and not favor one portion of our state to the detriment of all other consumers within our borders. Consequently I urge your Honorable Subcommittee to carefully examine the legislative intent behind the creation of PASNY contrasted to its present operations in order to evaluate its discharge of duties as a source of public power. Con Ed's service area exceeds some eight million customers, or in relative terms, is larger than forty-three states. If any one of these states faced the power crisis which we are presently entertaining, the Federal Government would declare a national emergency. Surely there is something that our Honorable Subcommittee can do.

For your additional information, I submit to your Subcommittee today, copies of but a small fraction of the many hundreds of letters, telegrams and phone calls that have literally inundated my office since last July. I thank you.

Mr. OTTINGER. Thank you very much, Mr. Matrone. Can you advise us as to the status of the application—the creation by Westchester of an entity to apply for public power?

Mr. MATRONE. At the present time, three alternatives are before the committee as a possible way. It is intended within the next several weeks that an outside counsel and engineering experts will give us the proper vehicle, the most economically feasible approach to form, first, a corporation or, in fact, maybe a department, possibilities of referendum, and then, in fact, whether we will have a distribution system owned by the county itself.

I would suggest that probably by the end of this year there will be a direction and we will be moving forward in the very near future.

Mr. OTTINGER. I think that we have demonstrated at the hearings this morning that at least there is a very strong case to be made that, if Westchester County applied as a municipality for the benefit of its domestic and rural customers, PASNY could be required to supply those needs and that there is a requirement that any obligations that it has made not on a withdrawable basis within the 50 percent required by the statute would have to be made available.

That is going to take some time, and, from the attitude exhibited by the chairman of the Power Authority, very likely a legal suit to obtain that power. So I would just hope that you would carry back to the county executive the thought that the faster we can put this together, the quicker we will obtain relief for the people of Westchester.

Has Westchester County had any studies conducted as to the feasibility of generating its own power?

Mr. TOCCI. We are in the process of gathering information right now. There have been several alternatives which lead the county to debate, and that being that we are thinking about the feasibility of tying it in with our new solid waste disposal plant.

There is another possibility of our purchasing an existing plant and maybe upgrading it, and there is also a possibility of building an entirely new one.

We have discussed it with Con Edison even, to try to go on a joint venture with them, where we would have a separate rate structure, and they tell us that site is probably the biggest deterrent since it requires a massive body of water nearby, and it would be probably years before we could decide on or probably get the approval of any particular community to go to a particular site on a body of water.

So these are some of our deterrents right now to undertake this kind of a project, but, if there is power available from outside ourselves generating it, we would hope that we could bring it in, and PASNY seems to be the most viable direction to follow now.

Mr. OTTINGER. Well, of course, there is the possibility in that regard and one, which after full consideration, I think I would favor, and that is that Westchester County condemn facilities and take them over, in which case Westchester would have its own distributing facilities. It could purchase its power from not only PASNY, but could purchase from elsewhere.

During the 1969 power shortage in New York, we actually purchased in New York during that crisis power that was wheeled over the Pennsylvania system from American Electric Power via Tennessee Valley Authority power lines.

So that, if Westchester were to choose to do that, to take over the electric generation, either through creating a public corporation or having the county operating it directly, I think there would be no question of being able to acquire outside power without building additional plants itself. I hope that that is one of the things that will be considered. I understand that that is one of the options that is presently being considered by the task force.

I want to thank you very much for your time and for the county executive's efforts on this behalf, on behalf of this issue. I think there is nothing more important at the present time to our people, as you pointed out in the county executive's statement, Mr. Matrone. Hopefully, together we will be able to see a resolution of this issue within a reasonable time. I hope that that turns out to be more reasonable than PASNY's interpretation of what is reasonable under the statute.

Thank you very much.

The hearing is adjourned.

[The subcommittee adjourned at 12:27 p.m.]

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