

STATE OF NEW YORK

Public Service Commission

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\$45M FINANCING FOR NYISO FACILITIES APPROVED — Approval Conditions Ensure Appropriate Regulatory Oversight —

Albany, NY—04/14/11—The New York State Public Service Commission (Commission) today approved the New York Independent System Operator, Inc.’s (NYISO) petition to borrow up to \$45 million for the purposes of renovation and construction at the NYISO’s Krey Boulevard (Krey) and Carman Road (Carman) facilities. The Commission’s approval is subject to certain conditions to ensure appropriate regulatory oversight of the NYISO’s expenditures and future infrastructure plans.

“This decision will provide the NYISO with access to capital at reasonable terms to ensure it maintains adequate facilities to meet planning and reliability objectives,” said Commission Chairman Garry Brown. “The transaction is not projected to have a significant adverse financial impact on customer rates.”

The NYISO’s financing transaction provides for the construction of a new state-of-the-art primary control center and office space for the control center support staff in a facility adjacent to the NYISO’s Krey Boulevard Offices in Rensselaer, and the renovation and construction of facilities at its Carman Road facility in Guilderland to serve as the alternate control center. Each facility is designed to provide duplicative capabilities in case of a failure in accordance with the requirements of the North American Electric Reliability Corporation (NERC).

The Carman facility was designed and built over 40 years ago when it was operated by the New York Power Pool. The site improvements at Carman would include the completion and

furnishing of a building expansion to house a new data center, completion of control center renovations for additional grid operations functions, the replacement of emergency generation facilities, and the remediation of other deficiencies associated with Carman in order to continue operating as a control center.

The Krey facility was purchased and renovated over five years ago. Projected activities at Krey would be more extensive and entail a building expansion large enough to house a new primary control center designed to meet evolving grid reliability and market operations requirements, sufficient office space to relocate the NYISO operations staff from Carman to Krey, the addition of a second power feed, and updated control center technology to enhance emergency situational awareness or monitoring capabilities to reduce the likelihood of violations of reliability standards or a cascading outage.

New construction and upgrades at Carman are expected to be completed in early 2012, while the new construction at Krey is expected to be completed by mid-2014. The NYISO's mission is to provide non-discriminatory open-access transmission service, maintain the reliability of New York's transmission system, and administer efficient markets for energy ancillary services and installed capacity, as well as conduct auctions for transmission congestion contracts.

The Commission will issue a written order reflecting today's decision. That order, when available, can be obtained from the Commission's www.dps.state.ny.us Web site by accessing the Commission Documents section of the homepage and referencing Case 10-E-0640. Many libraries offer free Internet access. Commission orders can also be obtained from its Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).