

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

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## **FUNDING FOR MAJOR ECONOMIC DEVELOPMENT EFFORT OK'D — NYSEG Authorized to Spend \$5M to Assist Yogurt Maker —**

Albany, NY—9/15/11— The New York State Public Service Commission (Commission) today voted to allow New York State Electric & Gas Corporation to spend \$5 million to help offset the cost of improving transmission lines that serve Agro-Farma Inc.'s manufacturing plant in Chenango County. Agro-Farma, which is planning a major expansion, is one of New York's largest dairy product manufacturers and the maker of Chobani® Greek Yogurt.

“One of the purposes of a utility's Commission-approved economic development fund is to provide economic assistance to preserve or create jobs and stimulate growth through financial assistance to a qualified customer with significant manufacturing and employment potential,” said Commission Chairman Garry Brown. “The Commission strongly encourages stimulating economic development; without a vibrant economy and job-creating companies like Agro-Farma, our utility infrastructure will undoubtedly suffer.”

Agro-Farma is planning a capital investment of approximately \$100 million over the next 12 to 18 months at its manufacturing facility in the Hamlet of South Edmeston. By securing this investment, there is an opportunity for an additional \$50 million in new investment to the customer's headquarters, also located in the same geographic area.

Since 2007, Agro-Farma has invested nearly \$100 million in its facilities and with these additional projects, an investment in New York of \$250 million in total. Service to the expanded

facility with the resultant increased load requires upgrades and/or expansions to NYSEG's existing electrical infrastructure costing up to \$13 million.

Once completed, this business expansion located in South Edmeston is expected to generate at least 300 permanent, new full-time jobs. The electric load is expected to double, thereby providing incremental revenues to the company. According to the New York State Department of Labor, the expansion by this particular customer could add over \$18 million in annual payroll in the food manufacturing industry in Chenango County. Additionally, the Empire State Development Corporation and Cornell University estimate an overall economic impact to the agricultural sector in New York of approximately \$650 million.

The funding being made available comes from NYSEG's accumulated economic development reserve, which is currently approximately \$19 million.

The sole existing transmission line and substation have the capability of delivering approximately 6 megawatts (MW) to South Edmeston — approximately 5 MW of which are already used by Agro-Farma with the remainder going to NYSEG customers in the surrounding community. As a result of the planned expansion, electric load at the facility is expected to increase to approximately 12 MW and up to 20 MW over time. Construction of a new transmission line to serve the facility and surrounding area is of paramount importance to the company and its decision to continue plans to expand its existing Facility.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.state.ny.us](http://www.dps.state.ny.us) and entering Case Number 11-E-0312 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).