

STATE OF NEW YORK

Public Service Commission

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10081/08-T-0034

COMMISSION APPROVES TRANSMISSION LINE TO NYC

— Power Line Would Improve Reliability, Increase Supply —

Albany, NY—09/08/10—The New York State Public Service Commission (Commission) today approved the New York portion of an approximately seven mile 345 kV transmission line from New Jersey to midtown Manhattan.

“This transmission line will improve the reliability and security of the transmission system and would provide access to new markets for the purchase of energy and capacity,” said Commission Chairman Garry Brown.

In March 2005, the New York Power Authority (NYPA) issued a request for proposals for up to 500 MW of electric capacity and energy for its governmental customers. Hudson Transmission Partners, LLC (HTP) was the winning bidder.

On January 15, 2008, HTP filed, pursuant to Public Service Law (PSL) Article VII, an application for a certificate of environmental compatibility and public need for an electric transmission facility. HTP proposed to build and operate a 345 kV electric transmission link between midtown Manhattan and the neighboring regional electric system located in Pennsylvania, New Jersey and Maryland, also known as PJM.

At the Bergen Substation in Ridgefield, New Jersey, HTP proposes to interconnect with the PJM regional electric network. It would run a 230 kV underground cable 1,760 feet from the substation to a converter station where the alternating current would be converted first to direct current and back to alternating current at 345 kV. From there, HTP will install about 14,458 feet

of underground cable in New Jersey streets and railroad rights-of-way to a transition vault in Edgewater, New Jersey where the cable will be spliced into a submarine cable running about 20,120 feet in the bed of the Hudson River to a transition vault located under the road on West 52nd Street in Manhattan. There the cable will be spliced to about 1,125 feet of electric cable located in conduits on West 52nd Street and 12th Avenue going south to the 12th Avenue entrance of Consolidated Edison's West 49th Street Substation where the transmission facility terminates.

The portion of the transmission facility on land will be constructed using conventional urban street trenching methods. The portion located in the Hudson River will be installed using jet plowing. The transitions from land to river will be made using horizontal directional drilling. The transmission facility will initially provide 320 MW of firm capacity from the PJM region to midtown Manhattan; if additional investments are made to upgrade PJM facilities, the project will be able to provide 660 MW of firm capacity. NYPA expects to enter into a contract with HTP to purchase firm transmission capacity.

The Commission's decision was based on the fact that the HTP project would connect to and provide numerous benefits to New York City, one of the country's largest transmission-constrained load pockets. Increasing the amount of power that can be imported into New York City is an appropriate long-term goal, given the fact that energy imports are limited due to the constraints that separate the New York City electric system from the rest of the grid.

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 and entering Case Number 08-T-0034 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).