



Robert P. Astorino
County Executive

Public Utility Service Agency
Thomas M. Geiger, Chair

14797

October 20, 2010

To: Honorable Members of the Board of Acquisition and Contract

From: Thomas Geiger, Chair
County of Westchester Public Utility Service Agency

RE: Resolution authorizing the County of Westchester, through the County of Westchester Public Utility Service Agency, to enter into an Agreement with RMS Packaging, Inc. for the sale of lower cost Municipal Distribution Agency power from June 29, 2010 through June 28, 2015

The County of Westchester Public Utility Service Agency (“COWPUSA”), pursuant to the purposes and provisions of Chapter 875 of the Laws of Westchester County, entered into an agreement with the Power Authority of the State of New York (“NYPA”) for the purchase of lower cost economic development power. Such power is distributed to eligible businesses in Westchester through the Consolidated Edison Company of New York, Inc.’s (“Con Edison”) transmission and distribution system in accordance with a separate agreement between the County and Con Edison. This power is used to stimulate employment and economic growth in the County.

Pursuant to the above referenced agreements, COWPUSA obtains Municipal Distribution Agency (“MDA”) power from NYPA and provides such power through Con Edison’s distribution system in accordance with NYPA’s Service Tariff No. 35.

Engelhard Corporation (“Engelhard”) had previously been granted an allocation of MDA power for a number of facilities in Peekskill, New York. Those facilities were later acquired by BASF Corporation (“BASF”). NYPA authorized BASF to receive the allocation of MDA power that was previously allocated to Engelhard. Recently, BASF Corp. sold one of its facilities to RMS Packaging, Inc., which requested that COWPUSA transfer an allocation of MDA power to it so that it could continue operations in Peekskill, New York. The Board of Trustees of NYPA recently approved such transfer effective June 29, 2010.

The proposed agreement will serve a public purpose as it will foster employment and economic growth in Westchester. The high cost of electricity in the Con Edison service territory is a concern to businesses and factors into their decision to remain in or relocate to Westchester County. The goals and objectives of the proposed agreement are in the best interests of the County as the provision of MDA power will provide lower cost electricity thereby encouraging this business to remain in Westchester and continue to provide employment opportunities and hopefully expand, thereby contributing to the economic health of the County. In terms of fiscal responsibility, COWPUSA will require a security deposit from this customer, the Department of Finance, on behalf of COWPUSA, will timely bill the customer and monitor its payments to make sure that they are received in a timely manner.

The goals and objectives of the proposed agreement will be tracked and monitored by COWPUSA.

COWPUSA's Commissioners, at a duly constituted meeting, voted to enter into the above captioned agreement, subject to the approval of your Honorable Board. Accordingly, it is respectfully requested that your Honorable Board approve the attached resolution to authorize the County, through COWPUSA, to enter into the proposed agreement with RMS Packaging, Inc., 1050 Lower South Street, Peekskill, New York 10566, for the sale of up to 210 kW of Municipal Distribution Agency economic development power for a term from June 29, 2010 through June 28, 2015.

Accordingly, your favorable action on the annexed Resolution is most respectfully urged and recommended.

TMG/SMG:me

APPROVED BOARD OF ACQUISITION & CONTRACT - 11-12-2010 - SOMER VERA, SECRETARY

RESOLUTION

Upon a communication from the Chair of the County of Westchester Public Utility Service Agency, be it hereby

RESOLVED, that the County of Westchester is authorized to enter into and execute an agreement providing for the sale of up to 210 kW of Municipal Distribution Agency economic development power through the County of Westchester Public Utility Service Agency to RMS Packaging, Inc. 1050 Lower South Street, Peekskill, New York 10566 for a term commencing from June 29, 2010 through June 28, 2015; and be it further

RESOLVED, that such power will be provided in accordance with the applicable service tariff as approved by the New York State Public Service Commission and in accordance with the applicable tariff adopted by the Power Authority of the State of New York and; be it further

RESOLVED, that the Westchester County Executive or his duly authorized designee is hereby authorized and empowered to execute any and all documents necessary or appropriate to effectuate the purpose hereof.

Account to be Charged/Credited

| | | Major Program, Program & Phase | Object/ | Trust | |
|------|------|--------------------------------|------------|---------|---------|
| Fund | Dept | Or Unit | Sub Object | Account | Dollars |
| | | | | | |

Budget Funding Year(s) _____ Start Date 6/29/10 End Date 6/28/15
 (must match resolution)

Funding Source _____ Tax Dollars _____
 _____ State Aid _____
 _____ Federal Aid _____
 (must match resolution) Other Revenue _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 11-12-2010 - JIMMY VEINIA SECRETARY