

VERIFICATION AND AFFIDAVIT

STATE OF NEW YORK)
COUNTY OF ALBANY)

Garry A. Brown, Affiant, being duly sworn, deposes and states:

1. I am the Vice President of Strategic Development of the New York Independent System Operator, Inc. (“NYISO”) and am one of several officers at the NYISO responsible for ensuring the reliable operation of the New York power grid.
2. Astoria Energy LLC (“Astoria Energy”), has petitioned the New York Public Service Commission (“Commission”) pursuant to Section 69 of the New York Public Service Law (“PSL”) for authorization to issue non-recourse debt in the amount of \$600 million to fund the construction of Phase I of the 1,000 MW electric generating facility being built by Astoria in Queens, New York (the “Facility”). Astoria Energy plans to close on its debt transaction no later than March 31, 2004.
3. Astoria Energy, its parent(s), owners and affiliates have separately requested a declaratory order from the Commission holding that their issuance of equity in order to fund the construction of the Facility does not require review under Section 70 of the PSL. In the alternative, the applicants have requested expedited approval of the transaction pursuant to Section 70 of the PSL and Section 202(6) of the State Administrative Procedure Act (“SAPA”).
4. Astoria Energy has informed the Commission that if construction does not start by April 1, 2004, the Facility may not be able to supply power during the 2006 summer capability period.

5. The Commission staff has requested that the NYISO assist its consideration of Astoria Energy's petitions; in particular, Astoria Energy's requests for emergency treatment pursuant to Section 202(6) of the SAPA.

6. It is my understanding that Commission approval of the debt transaction and a Commission decision that it is not necessary to review, or its approval of, the equity transaction are each conditions that must be satisfied prior to closing. It is my further understanding that construction of the Facility cannot commence until the debt and equity transactions close.

7. The NYISO has determined that additional electric generating capacity is needed in New York City in order to meet projected demand in 2006. The NYISO's Interim Review of Resource Adequacy Covering the New York Control Area for the Years 2003 – 2006 (approved by the Northeast Power Coordinating Council's Task Force on Coordination of Planning) identifies the need for 520 MW of additional in-City generation by 2006 (250 MW of which may be supplied by a generating facility that is completing its final testing procedures at the time I prepare this Affidavit) in order to meet the NYISO's existing 80% in-City locational Installed Capacity requirement.

8. The addition of generating capacity in New York City is expected to (a) create a more robust energy market, (b) enhance the efficiency of New York's energy markets, and (c) enhance system reliability in a constrained area. Accordingly, approval of the debt and equity transactions on an emergency basis (or a timely declaration that Commission approval is not required for the equity transaction), so that additional generation will be on-line for the start of the Summer 2006 capability period, is appropriate.

9. Based on the above statements, it is my considered opinion that, in order to preserve the public health, safety and general welfare of the people of New York, the PSC should take

such action as may be necessary to ensure that (a) the debt financing for the Facility is timely authorized, and (b) the necessary declaration or approval of the equity financing is timely provided, in order to permit completion of the Facility for service in Summer, 2006.

Further the Affiant sayeth not.

Garry A. Brown
Vice President, Strategic Development
New York Independent System Operator

Sworn to before me this
__ day of February, 2004

Notary Public

[SEAL]