

GRIFFISS UTILITY SERVICES CORPORATION  
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW  
INTERNAL CONTROL ASSESSMENT  
FOR CALENDAR YEAR ENDING 12/31/13

Griffiss Utility Services Corporation ("GUSC") during Calendar Year 2013 performed financial and operational audits in the following areas:

- Year-End 2013 Capital Construction Contract Administration
- Year-End 2013 Loan Administration
- Year-End review of steam and electric revenues and expenses

The purpose of these examinations was to audit the system of internal control over:

- a) financial statement balance(s) or on the particular financial statement balance(s); and
- b) efficiency and effectiveness of operational functions

As a result of the above-mentioned Fiscal audits, there were no exceptions noted in D'Arcangelo & Co., LLP's 2013 Management Letter to the Corporation.

GUSC's Audit Committee was apprised of the audit results and formal reports were provided to the Corporation's Management.

Based on the above noted independent review, and management's assessment of financial reporting controls, the Corporation believes their overall systems of internal controls are effective for the reporting period.