§ 1205-a. Surrender of power plants. Notwithstanding any other provision of law, in the event the authority shall surrender power plants to the city in connection with the sale thereof by the city to a third party, the city shall establish a fund out of the purchase price or the installments of purchase price, from which it shall pay to the authority for a period of ten years the sum of five million dollars a year in semi-annual installments of two million five hundred thousand dollars each. The first such payment shall be made six months after the date when possession of the power plants is transferred to the purchaser of such plants. Such moneys shall be used by the authority to pay, in part, for the cost of electricity purchased by the authority for the operation of transit facilities.

Notwithstanding the foregoing provisions, the city may, from time to time, at the request of the authority, prepay to the authority any and all of the remaining semi-annual installments due it as aforesaid, when the city and the authority have determined that such prepayment will serve the financial needs of the authority. In the event that said fund is not sufficient for the prepayment of any such installments, then the city may make up any insufficiency through a budgetary appropriation or may issue serial bonds and notes, pursuant to the local finance law, to finance such insufficiency. The maximum period of probable usefulness for such object or purpose is hereby determined to be three years.