

SERVICE AGREEMENT NO. 2534

EXECUTION VERSION

ENGINEERING & PROCUREMENT AGREEMENT

This Engineering & Procurement Agreement ("Agreement"), dated as of April 23, 2020 (the "Effective Date"), is made by and between New York Transco, LLC ("Customer"), having its principal place of business at (1 Hudson City Center, Hudson, New York), and New York State Electric & Gas Corporation ("NYSEG" or the "Company"), a New York corporation with an office located in Kirkwood, New York. The Customer and the Company shall each be referred to as a "Party," and shall be referred to collectively as the "Parties."

RECITALS

WHEREAS, Customer and Niagara Mohawk Power Corporation, d/b/a National Grid, proposed a Public Policy Transmission Project to satisfy an identified Public Policy Transmission Need (the "Transmission Project");

WHEREAS, the New York Independent System Operator, Inc., ("NYISO") selected the Transmission Project as the more efficient or cost-effective transmission solution to satisfy an identified Public Policy Transmission Need and has directed Customer to proceed with the Transmission Project;

WHEREAS, Customer is negotiating a development agreement with NYISO ("Development Agreement") to ensure that the Transmission Project will be constructed and in service in time to satisfy the Public Policy Transmission Need;

WHEREAS, Customer is also proposing to interconnect its Transmission Project at various locations on the Company's transmission system; and

WHEREAS, Customer and Company contemplate negotiation of a Transmission Project Interconnection Agreement ("Interconnection Agreement") in connection with the proposed Transmission Project; and

WHEREAS, the Parties desire to set forth the terms, conditions, and costs for conducting certain engineering and procurement activities for certain long-lead items, as specified in **Exhibit A** to this Agreement, prior to the Parties entering into the Interconnection Agreement to ensure the development and interconnection of the Customer's Transmission Project remains on schedule with the contemplated in service date in the Development Agreement;

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties, intending to be legally bound, agree as follows:

1. Information Requirements and Scope of Company Work.

1.1 The Parties acknowledge that they are entering into this Agreement prior to the

completion of a Facilities Study Report. In order to ensure the timely development and interconnection of the Transmission Project, as contemplated in the Development Agreement and accompanying milestone schedule to that agreement (the “Development Schedule”), Customer

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desires Company to begin to perform such work associated with the necessary modifications to its facilities identified in Exhibit A to accommodate the interconnection of the Transmission Project. Company agrees to perform the work consistent with the provisions of this Agreement.

1.2 The Company's scope of work is set forth in Exhibit A of this Agreement, and incorporated herein by reference (the "Company Work"). The Parties acknowledge that Company's scope of work shall be limited to the provision of drawings, schematics, specifications, criteria and data related to the Transmission Project, and that Customer's Engineer shall be responsible for performing the engineering design, procurement and construction of the Transmission Project. The services provided by the Company hereunder are limited to those services necessary to accomplish the Company Work and no other services are contemplated in this Agreement.

1.3 Subject to the terms of this Agreement, Customer shall perform the actions set forth in Exhibit B attached hereto.

1.4 In performance of the Company Work hereunder, the Company:

a. shall use commercially reasonable efforts to perform the Company Work in accordance with Good Utility Practice;

b. shall at all times perform in material compliance with all applicable federal, state and local laws and ordinances and all lawful orders, rules and regulations of any governmental authority; and

c. represents and warrants that it and any subcontractor has all necessary permits, licenses and other forms of documentation, and its personnel have received all necessary training including, but not limited to, health and safety training, required to perform services hereunder.

1.5 All capitalized terms not otherwise defined in Attachment 1 of this Agreement shall have the meanings ascribed to such terms in the NYISO's Open Access Transmission Tariff ("OATT") inclusive of Attachment P and, if not defined therein, then Attachment X of the OATT.

1.6 This Agreement shall be superseded by the Interconnection Agreement. Notwithstanding the foregoing, Sections 4.5, 9.1, 9.2 and Articles 8 and 17, survive expiration or termination of this Agreement ("Surviving Provisions"). In the event of any conflict between a Surviving Provision of this Agreement and the Interconnection Agreement, the Surviving Provision of this Agreement shall control.

2. Representatives.

All work pertaining to the Company Work that is the subject of this Agreement will be approved by and coordinated only through designated and authorized representatives of the Company and the Customer ("Representative"). Each Party shall promptly, following the

Effective Date, provide the other Party in writing with the name and contact information of such Representative. The Representatives of the Parties shall not have the right to amend or modify

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this Agreement, except as provided in Section 4.3. Each Party may change its Representative, from time to time, by written notice to the other Party.

3. Company Work Duration and Reports.

3.1 The Parties agree to the estimated schedule set forth in **Exhibit C** attached hereto (the “Schedule”) and Customer understands and agrees that the Completion dates are estimates only and that the Company, other than making commercially reasonable efforts to meet such Schedule, makes no other representations or warranties with respect to the estimated schedule. If the Company is unable to complete the Company Work within the time periods specified in **Exhibit C**, the Company shall notify the Customer of such delay and the reason(s) why additional time is required, and shall provide a revised estimate of when the Company Work can be completed.

3.2 The Company agrees to provide to the Customer periodic reports on the status of the Company Work at intervals as agreed by the Parties, and also shall provide status reports upon the reasonable request of the Customer.

4. Estimated Costs and Payment Terms.

4.1 The Company’s estimated cost for completion of the Company Work is specified in **Exhibit A** (the “Estimated Cost”). The Estimated Cost constitutes the Company’s good faith estimate of the cost to complete the Company Work pursuant to this Agreement. The actual costs to be paid by the Customer will be the actual costs incurred by the Company, which may vary from the Estimated Cost, as described in Sections 4.3 and 4.4 below. Any costs for the Company Work in excess of the Estimated Cost are “Additional Costs.” Typically, the Company requires the Customer to provide payment security such as a letter of credit to guaranty the Company receives payment for the work that Company will undertake. In this instance, Customer has agreed to provide an Initial Prepayment, as described below, and Customer will not be required to submit security such as a letter of credit.

a. The Estimated Cost is Two Million Five Hundred and Ninety-Two Thousand and One Hundred Nineteen dollars (\$**2,592,119**).

b. The Customer shall provide the Company with a prepayment of **\$518,424** (“Initial Prepayment”), such amount representing the Company’s current Estimated Cost to perform the Company Work. The Customer shall pay such amount to the Company within ten (10) days of the date of this Agreement. Unless it elects to do so in its sole discretion, the Company shall not be obligated to commence any Company Work under this Agreement prior to the Company’s receipt of the Initial Prepayment.

c. If, during the performance of the Company Work, the Company determines that one or more additional prepayments are required to recover estimated Additional Costs

before completing the Company Work, the Company may, but is not required to, request additional prepayment (each, an “Additional Prepayment”) from the Customer; any such requests shall be in writing and be accompanied by an itemized invoice; provided, however, that such Additional Prepayment requests shall not

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exceed \$50,000 per quarter and such Additional Prepayments plus the Initial Prepayment shall not exceed \$1,500,000 without the written approval of the Customer prior to the continuation of the Company Work. If an Additional Prepayment is requested and is not received from the Customer on or before the date specified in the applicable request, or if no date is specified, within thirty (30) days of receipt of such written request, the Company may (but shall not be obligated to) cease work upon the depletion of the Initial Prepayment and any other Additional Prepayments made by the Customer hereunder to date, as applicable. Upon the Company's receipt of the Additional Prepayment from the Customer (such Additional Prepayment to be additional to the Initial Prepayment and any other prepayments made by the Customer to date), the Company shall recommence performance of the Company Work.

d. The Company may elect, in its sole discretion, to continue performance hereunder after the depletion of any prepayments, as described in Sections 4.1.b and 4.1.c herein, and invoice the Customer at a later date. Except as otherwise expressly provided for in this Agreement, all invoices shall be due and payable thirty (30) days from receipt of such invoice.

4.2 The Company shall commence with the Company Work described in Exhibit A hereto upon receipt of the Initial Prepayment. At any time during the term of this Agreement, but no more often than once per calendar quarter, the Customer may request, in writing, from the Company a reconciliation of the costs incurred by the Company as of the date the Company receives written notice of the request. The Company shall provide the reconciliation within thirty (30) days of receiving such request.

4.3 Once the Company has commenced performance of the Company Work, the Company shall have the right to propose changes to the scope of Company Work, only if such proposed changes are necessary as a result of changes to the Facilities Study Report or the Interconnection Agreement, by providing written notice ("EP Change Notice") to the Customer. The EP Change Notice shall include an estimate of any Additional Cost. The Customer, through its Representative, shall, within five (5) business days after receipt of an EP Change Notice, either (a) authorize the EP Change Notice in writing, or (b) dispute the necessity for or the cost of the EP Change Notice. If the Customer chooses option (b), then the Company shall not undertake any work associated with the EP Change Notice until such dispute is resolved; provided, however, that if the dispute is not resolved within ninety (90) days from the date the Customer receives the EP Change Notice, either Party shall have the right to terminate this Agreement upon written notice to the other. If the Customer chooses option (a), then payment of the Additional Costs described in any EP Change Notice is required in advance of the Company undertaking to perform the work in the EP Change Notice and the Customer shall be responsible for the actual costs associated with such EP Change Notice.

4.4 Once the Company has commenced performance of the Company Work, the Customer shall have the right to propose changes to the scope of Company Work by providing written notice (each a "Customer EP Change Notice") to the Company, which Customer EP

Change Notice, shall include a request for an estimate any Additional Cost. The Company shall then use commercially reasonable efforts to provide an estimate of any Additional Costs as soon

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as is practicable after receipt of the Customer E&P Change Notice. Customer, through its Representative, shall, within five (5) business days after receipt of an estimate of any Additional Cost resulting from the Customer EP Change Notice, either (a) authorize the confirm the Customer EP Change Notice in writing, or (b) dispute the estimated Additional Costs of the Customer EP Change Notice. If the Customer chooses option (b), then the Company shall not undertake any work associated with the Customer EP Change Notice until such dispute is resolved; provided, however, that if the dispute is not resolved within ninety (90) days from the date the Customer receives the estimate of Additional Cost, either Party shall have the right to terminate this Agreement upon written notice to the other. If the Customer chooses option (a), then payment of the estimated Additional Costs described is required in advance of the Company undertaking to perform the work in the Customer EP Change Notice and the Customer shall be responsible for the actual costs associated with such Customer EP Change Notice.

4.5 If the Federal Energy Regulatory Commission accepts for filing the Interconnection Agreement before the Initial Prepayment or any Additional Prepayment has been fully used to reimburse for Company Work performed by the Company under this Agreement, the Company shall be authorized to apply the remaining balance of the Initial Prepayment and/or any Additional Prepayments to invoices charged to the Customer under the Interconnection Agreement. The Company shall adjust the security to be provided under the Interconnection Agreement to reflect the Initial Prepayment and any Additional Prepayments received by the Company under this Agreement. Anything in this Agreement to the contrary notwithstanding, this Section 4.5 shall survive the expiration or termination of this Agreement. Notwithstanding the foregoing, the Company may retain any amounts due to the Customer until such time as there is final settlement of any dispute between the Parties over amounts due under this Agreement, including any indemnification or other liability obligations under this Agreement. This Section 4.5 shall survive any termination or expiration of this Agreement.

4.6 Company Work Cost Reports. The Company agrees to provide written reports (“Company Work Cost Reports”) to the Customer on an annual basis, due January 15, and further, shall provide a written report to Customer within thirty (30) days of termination or expiration of this Agreement. Each Company Work Cost Report shall include the following information with respect to the preceding twelve-month period: (i) a summary of the Company’s costs associated with such Company Work incurred during such period, (ii) a statement of the hours of Company Work furnished during such period, (iii) a listing of average hourly labor rates, and (iv) a reasonably detailed description of the tasks performed by the Company (or its Affiliates) for the Company Work during such period.

5. Term and Termination.

5.1 This Agreement shall be effective, as of the Effective Date, upon its execution by both Parties and payment of the Initial Prepayment by Customer, and shall remain in effect until [performance has been completed hereunder](#), unless terminated earlier pursuant to its terms.

5.2 If a Party breaches any material term or condition of this Agreement and fails to cure the same within thirty (30) business days after receiving written notice from the other Party

specifying such material breach, the non-breaching Party may (a) terminate this Agreement immediately upon notice to the breaching Party, or (b) agree in writing that the breaching party is

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diligently pursuing a cure, and extend the cure period at its sole discretion, subject to immediate termination upon notice.

5.3 In addition to any other termination rights provided in this Agreement, the Customer may terminate this Agreement at any time upon ten (10) days' prior written notice to the Company.

5.4 For termination pursuant to Sections 5.2 and 5.3, the terminating Party shall pay to the non-terminating Party, in addition to any amounts required pursuant to Section 4.4, any reasonable and verifiable costs, fees, penalties and charges incurred by the non-terminating Party as a result of such termination; provided, however, that the remedy specified in this Section 5.4 shall not be the non-terminating Party's exclusive remedy in the event of such termination.

6. Notice.

Any notices, requests, or other correspondence and communication given under this Agreement shall be in writing and must be sent (a) by hand delivery, (b) by registered or certified mail, return receipt requested, (c) by a reputable national overnight courier service, postage prepaid, or (d) by facsimile transmission, addressed to a Party at its address or telephone facsimile number set forth below, with the original of such facsimile to be delivered within two (2) business days thereafter by one of the other means set forth in this Article 6. For purposes of this Agreement, notices sent by hand delivery, overnight courier or facsimile (if followed by the original as required by this Article 6) shall be deemed given upon receipt and notices sent by registered or certified mail shall be deemed given three (3) business days following the date of mailing. Either Party may give notice, as herein provided, specifying a different person, address or facsimile number than that which is listed below.

For Company:

New York State Electric & Gas
Corporation
Manager - Programs/Projects
Electric Transmission Services
18 Link Drive
Binghamton, NY 13902-5224
Phone: (585) 484-6306
Fax: (607) 762-8666

For Customer:

New York Transco, LLC
1 Hudson City Center
Hudson, NY 12534
Attn: Paul Haering
Phone: (518) 444-4880

7. Confidentiality.

7.1 Unless otherwise required by applicable law, rule or regulation, the Company and the Customer agree to maintain the confidentiality of this Agreement and any and all Confidential Information, during the term of this Agreement and for a period of two (2) years following the expiration or any termination of this Agreement, except that the Company and Customer may disclose any and all Confidential Information provided by a Party hereunder on a

need-to-know basis to its employees, agents, counsel, representatives and Affiliates (and its Affiliates' employees, agents, counsel and representatives) who have first been advised of the

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confidentiality provisions of this Agreement. Neither Party shall use such Confidential Information except for the purposes identified herein without the prior written approval of the disclosing Party.

7.2 The receiving Party shall not be precluded from, nor liable for, disclosure or use of Confidential Information that: (a) is in or enters the public domain, other than by a breach of this Article; (b) is known to the receiving Party or its representatives at the time of first disclosure hereunder, or thereafter becomes known to the receiving Party or its representatives subsequent to such disclosure without similar restrictions from a source other than the disclosing Party, as evidenced by written records; (c) is developed by the receiving Party or its representatives independently of any disclosure under this Agreement, as evidenced by written records; (d) is disclosed more than two (2) years after the termination or expiration of this Agreement; (e) is disclosed following receipt of the disclosing Party's written consent to the disclosure of such Confidential Information; or (f) is necessary to be disclosed, in the reasonable belief of the receiving Party or its representatives, for public safety reasons, provided, that, receiving Party has attempted to provide as much advance notice of the disclosure to the disclosing Party as is practicable under the circumstances.

7.3 Anything in this Article or the Agreement to the contrary notwithstanding, the receiving Party or its representative(s) may disclose Confidential Information of the other Party to the extent the receiving Party or its representative(s) is required to do so by law, by a court, or by other governmental or regulatory authorities; provided, however, that, if permitted to do so by applicable law, the receiving Party shall give the disclosing Party written notice of any such required disclosure prior to such disclosure being made so that the disclosing Party may seek a protective order with respect to such Confidential Information. The receiving Party shall reasonably cooperate with the disclosing Party's efforts to obtain such protective order.

7.4 Each Party hereby acknowledges and agrees (a) that the Confidential Information of the other Party is a valuable trade secret of the other Party and that any unauthorized disclosure thereof could cause irreparable harm and loss to the other Party, and (b) that money damages would not be a sufficient remedy for any breach or threatened breach of this Agreement and that each Party shall be entitled to specific performance and/or injunctive relief as a remedy for any such breach or threatened breach. Such remedy shall not be deemed to be the exclusive remedy for any such breach of this Agreement but shall be in addition to all other remedies available at law or in equity.

7.5 No license or right to any trade secret, business method, patent (now issued or hereafter issuing), trademark, trade name, copyright or any other intellectual property of a disclosing Party is granted by this Agreement.

8. Indemnification.

Each Party (each, an "Indemnitor") agrees to indemnify, hold harmless and defend the other Party and its Affiliates, and the trustees, directors, officers, employees, and agents of each of them (each, an "Indemnitee"), from and against any and all damages, losses, costs, expenses

(including reasonable attorneys' fees and disbursements), causes of action, suits, claims, fines, penalties and liabilities, in tort, contract, or otherwise resulting from claims of third parties

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arising, or claimed to have arisen, as a result of any acts or omissions of the Indemnitor under this Agreement or the Company Work (collectively, "Damages"), except to the extent such Damages are directly caused by the gross negligence, intentional misconduct or unlawful act of the Indemnified Party as determined by a court of competent final jurisdiction. This Article 8 shall survive the expiration or any termination of this Agreement, including the incorporation of this Agreement into the Interconnection Agreement to be entered into and executed by the Parties.

9. Disclaimer of Damages/Limitation of Liability.

9.1 Subject to the obligations set forth in Article 8, neither Party shall be liable to the other Party for any indirect, consequential, exemplary, special, incidental or punitive damages, including without limitation loss of use or lost business, revenue, profits or goodwill, arising in connection with this Agreement, the Company Work performed hereunder, and/or the intended use thereof, under any theory of tort, contract, warranty, strict liability or negligence. This Section 9.1 shall survive the expiration or any termination of this Agreement.

9.2 Without limitation of the provisions of Section 9.1 above, the total liability of the Company to the Customer in connection with this Agreement shall be limited to the lesser of:
(a) direct damages proven by the Customer; or (b) the amount paid by the Customer to the Company pursuant to the payment terms of this Agreement. The foregoing limitation applies to all causes of actions and claims, including, without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts. The Customer acknowledges and accepts the reasonableness of the foregoing disclaimers and limitations of liability. This Section 9.2 shall survive the expiration or any termination of this Agreement.

10. Force Majeure.

Any delay in or failure of performance under this Agreement (other than a failure to comply with a payment obligation) shall not be considered a breach of this Agreement if and to the extent caused by events (each, a "Force Majeure Event"), beyond the reasonable control of the Party affected, including but not limited to acts of God, governmental restrictions, strikes, riots, wars or other military action, fires, floods, vandalism, or sabotage. Market conditions and/or fluctuations (including a downturn of any Party's business) shall not be deemed Force Majeure Events. A Force Majeure Event shall not include acts of negligence or intentional wrongdoing by the Party claiming such Force Majeure Event.

The Party whose performance is affected by a Force Majeure Event shall promptly notify the other Party, giving details of the Force Majeure Event, and the obligations of the Party giving such notice shall be suspended to the extent caused by the Force Majeure Event and for so long as the Force Majeure Event continues, and the time for performance of the affected obligation hereunder shall be extended by the time of the delay caused by the Force Majeure Event. During the continuation of the Force Majeure Event, the nonperforming party shall (a) exercise commercially reasonable due diligence to overcome the Force Majeure Event; (b) to the extent it is able, continue to perform its obligations under this Agreement; and (c) cause the suspension of

performance to be of no greater scope and no longer duration than the Force Majeure Event requires.

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11. Insurance

11.1 Prior to the commencement of any Company Work and during the term of the Agreement, the Company, at its own cost and expense, shall procure and maintain insurance in form and amounts set forth in Exhibit D of this Agreement, or the Company may elect to self-insure one or more of the insurance coverage amounts set forth in Exhibit D of this Agreement. Unless the Company elects to self-insure, the Company shall have its insurer furnish to the Customer certificates of insurance, on forms approved by the Insurance Commissioner of the State of New York, evidencing the insurance coverage required by this Article, such certificates to be provided prior to the commencement of any Company Work under this Agreement.

11.2 Each Party shall be separately responsible for insuring its own property and operations.

12. Governing Law; Change in Law

12.1 When not in conflict with or preempted by federal law, including, without limitation, Part II of the Federal Power Act, 16 U.S.C. §§824d, *et seq.*, and Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. §§35, *et seq.*, each as may be modified from time to time, this Agreement shall be construed and governed in accordance with the law of the State of New York without giving effect to any choice or conflict of law rule that would cause the application of the law of any jurisdiction other than the State of New York.

12.2 If, during the term of this Agreement, the Applicable Laws are changed or new Applicable Laws are enacted, and such changed or new Applicable Laws result in the imposition of charges or costs that are materially different than the terms agreed to in this Agreement as of the Effective Date, or makes the performance of the obligations hereunder impossible, then upon the request of the affected Party made no later than six (6) months after the effective date of such change or addition to the Applicable Laws, the Parties shall meet to negotiate in good faith such amendments to this Agreement as are necessary to fulfill the purposes of this Agreement and to give effect to the original intentions of the Parties as negotiated and agreed to herein. In the event the Parties are unable to reach agreement within thirty (30) days following such request, the matter shall be resolved in accordance with Article 20 herein.

13. Amendments.

All amendments to this Agreement shall be in written form executed by the Parties.

14. Assignment; Successors and Assigns.

14.1 Neither Party shall assign this Agreement to any third party without the express written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that either Party (a) may assign all or part of this Agreement to any Affiliate and (b) may assign all or part of this Agreement to any other entity providing financing to such Party (as collateral or otherwise); provided further, however, that the

assigning Party must provide fifteen (15) days prior notice to the non-assigning Party of such an assignment and the assigning Party shall not be released from its obligations and liabilities under this Agreement following such an assignment.

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14.2 This Agreement shall be binding on the successors and permitted assigns of both Parties.

14.3 In the event of a permitted assignment, the assigning Party shall provide prior notice to the other Party.

14.4 In the event of a permitted assignment, assignee shall assume all obligations of assignor and assignor shall not be released from liability following an assignment.

15. Severability.

If any term or provision of this Agreement is held illegal or unenforceable by a court with jurisdiction over this Agreement, all other terms in this Agreement will remain in full force, the illegal or unenforceable provision shall be deemed struck. In the event that the stricken provision materially affects the rights, obligations or duties of either Party, the Company and the Customer shall substitute a provision by mutual agreement that preserves the original intent of the Parties as closely as possible under applicable law.

16. Merger.

This Agreement, including all exhibits, schedules and attachments, embodies the entire agreement between the Company and the Customer. The Parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth herein.

17. Representations and Warranties of Authority.

Each Party represents and warrants to the other that:

- a. it has full power and authority to execute, deliver and perform its obligations under this Agreement;
- b. the execution, delivery and performance of this Agreement have been duly and validly authorized by all necessary action by such Party; and
- c. the execution and delivery of this Agreement by such Party and the performance of the terms, covenants and conditions contained herein will not violate the articles of incorporation or by-laws of such Party, or any order of a court or arbitrator, and will not conflict with and will not constitute a material breach of, or material default under, the provisions of any material contract by which either Party is bound.

These representations and warranties shall survive the expiration or termination of this Agreement.

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18. No Third Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

19. No Waiver

Each Party further agrees that no failure or delay by the other Party in exercising any of its rights under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

20. Independent Contractor; No Partnership; No Agency; No Utility Services

Company and Customer shall be independent contractors. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party. This Agreement is not an agreement to provide or take utility services of any kind, including, without limitation, interconnection or other electric transmission services.

21. Dispute Resolution

Any dispute arising under this Agreement shall be the subject of good-faith negotiations between the Parties. Following the occurrence of a dispute, each Party shall designate one or more representatives with the authority to negotiate the particular matter in dispute for the purpose of participating in such negotiations. Unless a Party identifies exigent circumstances reasonably requiring expedited resolution of the dispute by a court or agency with jurisdiction over the dispute, any dispute that is not resolved through good-faith negotiations after a negotiation period of not less than thirty (30) days may be submitted by either Party for resolution to a court or to an agency with jurisdiction over the dispute. Notwithstanding the foregoing, any dispute arising under this Agreement may be submitted to non-binding arbitration or any other form of alternative dispute resolution upon the written agreement of both Parties to participate in such an alternative dispute resolution process.

22. Cooperation

The Company shall use reasonable efforts to cooperate with the Customer's development and financing of the Transmission Project by: (a) providing status updates and other information reasonably requested by the Customer regarding the Company's performance of the Company Work; and (b) providing information reasonably requested by the Customer to facilitate the financing of the Transmission Project; provided, however, that this Article 22 shall not require the Company to incur any material costs or expenses.

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23. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute only one legal instrument.

[Remainder of page left intentionally blank; signature page follows]

The Parties hereby execute this Agreement by the signature of their authorized agents as of the date first written above.

New York State Electric & Gas Corporation

Name: Carl A. [Signature]

Title: President and CEO

Date: _____

New York Transco, LLC


Name: _____

Title: _____

Date: _____

4/23/2020

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The Parties hereby execute this Agreement by the sign  d agents as of the date ~~first written above.~~ _____

~~New York State Electric & Gas Corporation~~

~~New York Transco, LLC~~

Name: _____

Name: _____

Title:

Title: President, NY Transco

Date:

Date: April 23, 2020

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Attachment 1

Certain Definitions

Wherever used in this Agreement with initial capitalization, whether in the singular or the plural, these terms shall have the following meanings:

“Additional Prepayment(s)” shall have the meaning set forth in Section 4.1(c) of this Agreement.

“Affiliate” means any person or entity controlling, controlled by, or under common control with, any other person or entity; “control” of a person or entity shall mean the ownership of, with right to vote, 50% or more of the outstanding voting securities, equity, membership interests, or equivalent, of such person or entity.

“Agreement” means this Engineering & Procurement Agreement, including all annexes, appendices, attachments, schedules, and exhibits and any subsequent written amendments or modifications thereto, as may be mutually agreed to and executed by the Parties.

“Applicable Laws” shall mean all applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits, licenses, authorizations, approvals and other duly authorized actions of any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction, NYISO, NYSRC and NPCC requirements, and any applicable reliability standards.

“Company” shall have the meaning set forth in the preamble to this Agreement.

“Company Work” means all duties, responsibilities, and obligations to be performed by Company as contemplated by Section 1.2 and Exhibit A of this Agreement.

“Company Work Cost Reports” shall have the meaning set forth in Section 4.6 of this Agreement.

“Confidential Information” means (i) all financial, technical and other non-public or proprietary information which is furnished or disclosed by the disclosing Party or its Affiliates (or its or its Affiliates’ agents, servants, contractors, representatives, or employees) to the receiving Party or its representative(s) in connection with this Agreement and that is described or identified (at the time of disclosure) as being non-public, confidential or proprietary, or the non-public or proprietary nature of which is apparent from the context of the disclosure or the contents or nature of the information disclosed, (ii) any market sensitive information (including, without limitation, outages scheduled on generators or transmission lines of Company or any third party), (iii) all memoranda, notes, reports, files, copies,

extracts, inventions, discoveries, improvements or any other thing prepared or derived from any information described in subparts (i) through (ii) preceding.

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“Customer” shall have the meaning set forth in the preamble to this Agreement.

“Customer Required Actions” means all duties, responsibilities, and obligations to be performed by the Customer as contemplated by Exhibit B of this Agreement.

“Damages” shall have the meaning set forth in Article 8 of this Agreement.

“Development Agreement” shall have the meaning set forth in the Recitals.

“Development Schedule” shall have the meaning set forth in Section 1.1.

“Effective Date” shall have the meaning set forth in the preamble of this Agreement.

“Engineer” shall mean Burns & McDonnell.

“EP Change Notice” shall have the meaning set forth in Section 4.3 of this Agreement.

“Estimated Costs” shall have the meaning set forth in Section 4.1 of this Agreement.

“Facilities Study Report” shall mean that certain Facilities Study Report expected to be finalized as part of Customer’s interconnection request submitted and pending with the NYISO (NYISO Queue No. 543).

“Force Majeure Event” shall have the meaning set forth in Article 10 of this Agreement.

“Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to refer to acceptable practices, methods, or acts generally accepted in the region in which the Transmission Project is located during the relevant time period.

“Implementation Work” shall have the meaning set forth in Exhibit A of this Agreement.

“Indemnitee” shall have the meaning set forth in Article 8 of this Agreement.

“Indemnitor” shall have the meaning set forth in Article 8 of this Agreement

“Initial Prepayment” shall have the meaning set forth in Section 4.1(b).

“Interconnection Agreement” shall have the meaning set forth in the recital to this Agreement.

“NERC” shall mean the North American Electric Reliability Corporation or any successor organization.

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“NPCC” shall mean the Northeast Power Coordinating Council, Inc. (a reliability council under Section 202 of the Federal Power Act) or any successor organization.

“NYISO” shall have the meaning set forth in the recitals to this Agreement.

“NYSEG” shall have the meaning set forth in the preamble to this Agreement.

“NYSRC” shall mean the New York State Reliability Council or any successor organization thereto.

“OATT” shall have the meaning set forth in Section 1.5.

“Party” and “Parties” shall have the meanings set forth in the preamble to this Agreement.

“Representative” shall have the meaning set forth in Article 2 of this Agreement.

“Schedule” shall have the meaning set forth in Section 3.1 and Exhibit C of this Agreement.

“Transmission Project” shall have the meaning set forth in the recitals of this Agreement.

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EXHIBIT A

SCOPE OF COMPANY WORK

Project Cost Estimate

The Company estimates that its cost to complete the Company Work will be \$2,592,119 for services as delineated in this Agreement.

Project Background

The Transmission Project identified by the NYISO as “Q#543 Segment B Project” and studied by the NYISO in its System Impact Study includes the following high-level scope of work:

- A new 54 mile 345/115 kV double-circuit transmission line from Schodack to Pleasant Valley;
- A new Knickerbocker 345 kV switching station;
- The demolition and complete rebuild of the Churchtown switching station;
- Modifications to the existing Pleasant Valley 345 kV substation;
- A new Van Wagner Capacitor Bank Substation;
- The retirement of various 115 kV lines between the Greenbush 115 kV station and Pleasant Valley 115 kV station.

It is understood by the Parties that the current Transmission Project scope of work is materially consistent with the scope as listed above and as documented in the NYISO System Impact Study.

The Company Work shall generally consist of the following:

A. Project management and engineering services for the review of submitted Customer documents for the Network Upgrade Facilities (“NUF”), as that term is defined in the NYISO Open Access Transmission Tariff, in connection with the Transmission Project.

B. Project management and engineering services for providing the necessary Company design criteria and standards, drawings, as-built drawings, vendor drawings, specifications, procedures, and any design, procurement and/or construction standards necessary for Customer or Engineer to complete the design, procurement and construction. All drawings shall be provided in CAD format compatible with the Customer’s and the Engineer’s design systems.

C. Company drawings, specifications and standards necessary for Customer or Engineer to pursue Article VII permitting under applicable New York laws and regulations.

D. Provision of monthly status reports to the Customer in accordance with the Schedule.

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E. Timely review of Customer's engineering documents and packages, approval of technical designs, equipment specifications, construction drawings, and approve bid specifications for any equipment; provided, however, the Engineer will create and approve any purchase orders and relay settings as needed.

Specific Company Work items include:

1. Perform design and engineering in connection with the Transmission Project consistent with the proposed scope of work in the NYISO System Impact Study Report and the ongoing NYISO Facilities Study. Once the Facilities Study Report is complete, the final scope of work included therein shall become a part of this Exhibit A.
2. The NYISO System Impact Study has determined that the existing Company-owned Churchtown, Coopers Corner, Craryville and Falls Park Substations are affected by the Transmission Project. Company will identify any additional stations or equipment that may be affected, for consideration.
3. Support procurement and related procurement activities as requested by the Customer. Customer is responsible for identifying and procuring any long-lead time items.
4. Review, from time to time, Customer work contemplated herein and conduct other project management, administration and oversight activities in connection with the work contemplated by this Exhibit.
5. Participate in, or establish as requested, design review meetings to discuss designs submitted, standards that are to be included/adjusted, and have necessary attendance at regularly occurring project review and coordination/review meetings during the course of the Transmission Project.
6. Develop cost estimates for any Company Work needed to support of the Transmission Project.
7. Develop a detailed schedule for execution of any Company Work and updates as requested.
8. Provide support for agency reporting as needed.
9. Provide review and comment of constructability, construction sequencing, and proposed outage planning as needed.
10. Provide project management, administration and oversight of Company Work.

11. Support start up commissioning and testing, including coordination with the Engineer to determine the relay and protective setting, and required notifications to the NYISO.

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12. It is anticipated that upgrades and modifications, due to the feeder modifications and re-routing, and the addition of new circuit breakers will require the existing Relay Protection and Control Schemes, SCADA and revenue metering to be reviewed, and modified as necessary for all substations. Company shall provide any existing substation setting calculations and relay files, and a system model in either ASPEN Oneliner or Electrocon CAPE format for protective coordination study. Company shall provide standard protection guidelines or system protection philosophies.
13. Provide support to Engineer so that the relay coordination between the Customer Substations and the Company Substations can be effectively performed. Note that for Company transmission lines that interconnect with other entities, including Central Hudson Gas & Electric, National Grid, Consolidated Edison or Customer, Company will coordinate with the Engineer on any relay coordination, and if required, new relay selection.
14. Provide support and guidance on the NERC FAC-008 rating of new equipment and, based on ownership of the asset, define who will be the rating authority for each applicable requirement.
15. Support Transmission Project construction activities by coordinating, scheduling, and obtaining outages with the NYISO and any Company station or lines, and by issuing and/or holding the outage permits.
16. Support engineering and construction activities by granting access to the Company substations and rights-of-way as needed.
17. Provide updates and revisions to Company drawings as needed.
18. Provide updates to Substation equipment signage to reflect the new feeder designations.
19. Update Company substation equipment procedures to reflect changes, including new feeder designations and circuit breaker additions.
20. Provide technical and/or procedural assistance with the mutual crafting of operating procedures for all Transmission Project elements affecting Company.
21. Provide physical arrangement drawings for Company substation control buildings, identifying the available space for equipment, wire and panel placement.

22. Provide Company designees for engineering and design, construction, commissioning, outage planning and coordination, and other items as needed.

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23. Retain and use outside experts, counsel, consultants, and contractors in furtherance of the Company Work contemplated herein as needed, or as requested by the Customer.
24. Provide a detailed listing of any technical materials that are required by Company.
25. Perform any other reasonable tasks necessary or advisable in connection with the Company Work contemplated by this Exhibit (including, without limitation, any changes thereto).

The Company Work contemplated by this Exhibit and this Agreement does not include operating or maintaining the new Churchtown switching station and does not include any permitting activities or any construction, relocations, alterations, modifications, or upgrades with respect to any Company, Customer or third party facilities or the Transmission Project ("Implementation Work"), nor does Company make any commitment to undertake such Implementation Work. If the Parties elect, in their respective sole discretion, to proceed with any Implementation Work:

(i) such Implementation Work would be performed pursuant to a separate, detailed, written, and mutually acceptable Transmission Project Interconnection Agreement to be entered into by the Parties and the NYISO, in accordance with the applicable provisions of the NYISO Open Access Transmission Tariff prior to the commencement of any such Implementation Work, or such other agreement if entered into prior to execution of a Transmission Project Interconnection Agreement and (ii) payment of all actual costs incurred by Company or its Affiliates in connection with or related to such Implementation Work shall be the responsibility of Customer and Customer shall reimburse Company for all such costs.

For the avoidance of doubt: the Company shall not have any responsibility for seeking or acquiring any real property rights in connection with the Company Work, the Transmission Project or this Agreement including, without limitation, licenses, consents, permissions, certificates, approvals, or authorizations, or fee, easement or right of way interests.

Current Scope of Work

Churchtown (NY Transco)

The existing Churchtown switching station is a 115kV switching station located in Claverack, New York owned and operated by Company. As currently identified in the NYISO System Impact Study, this facility will be retired and demolished, and a new "green field" switching station will be built in its place. The new Churchtown switching station will be a breaker and a half switching station with three bays containing the 115kV Lines to Blue Stores #4, North Catskill #5, Hudson #12, Lafarge #8 and Craryville #984. To construct the new Churchtown switching station, a shoefly design (temporary reroute of Line #984) will be required to maintain operation of the existing 115kV Line #984 to Craryville Substation during construction.

Company currently plans to transfer ownership of the existing switching station to Customer prior to start of construction under a separate agreement. Any such transfer would be subject to applicable regulatory approvals. Company engineering and other services that may be needed to

support the demolition of the existing Churchtown switching station will be provided by Company as requested by the Customer. Company will provide any necessary engineering,

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design, and other documents for the existing Churchtown switching station to Customer. Company will provide drawings, equipment specifications, vendor drawings, specifications and criteria used to design Company stations, and procedures to operate and maintain stations and equipment to Customer. Company will provide timely review of Customer engineering, design, and specifications and final approval of all technical designs, equipment specifications, construction drawings, and relay settings as required.

The Customer Work includes all engineering, design, construction, commissioning, permitting and documentation of the work at Churchtown, including specifically the development and provision to Company of the Primary, Structural, Conceptual and Secondary Design Packages (as defined by Company) required for the construction of the new switching station and demolition specifications for the existing switching station.

Coopers Corners (NYSEG)

Coopers Corners is an existing 345kV substation. In order to accommodate the increased loading at the station, the switches, wavetraps, jumpers, and buswork will need to be evaluated as acceptable for the increased currents and replaced as needed, on lines #34 & #42 to Rock Tavern. The services described in this section will be performed to Company standards.

Line Disconnect Switches

It is currently anticipated that Two (2) 345kV, 4000A, 100kA, 1300kV BIL, double break line disconnect switches on lines #34 & 42 (Coopers Corners - Rock Tavern) will be replaced. Review the design capabilities of the equipment and confirm if replacement is required, and if so, that the proposed replacement equipment ratings are adequate for Company Standards and Specifications.

Wavetraps

It is currently anticipated that Two (2) 345kV, 4000A wavetraps, one each on Lines #34 & 42 (Cooper's Corner - Rock Tavern) will be replaced. Review the design capabilities of the equipment and confirm if replacement is required, and if so, that the proposed replacement equipment ratings are adequate for Company Standards and Specifications.

Should replacement/ upgrade be required, Company equipment specifications are available for all major materials listed above and working versions of these specifications will be provided for adaptation to site-specific needs. Customer or Engineer will contact Company regarding and otherwise coordinate acquisition of these items.

Structures

To support the installation of the new substation equipment as identified above, it is anticipated that the following structures will be required:

Two (2) galvanized steel switch supports

Two (2) galvanized steel single phase line trap supports

To support the new substation installations, the following structures will need to be removed:

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- ▶ One (1) wavetrap support
- ▶ Two (2) switch stand structures

Foundations

Customer or Engineer will coordinate the collection of geotechnical data. This coordination includes creation of a scope of work, development of a boring location plan, soil resistivity traverse plan and technical specifications. Customer or Engineer will use the provided geotechnical engineering information and base reactions from the support structures to design new foundations. The following foundations will be designed:

Eight (8) pier foundations for switch supports

Two (2) pier foundations for single phase line trap supports

In addition, Customer or Engineer will revise the foundation plan to illustrate the new structure supports and locations. The foundation plan will illustrate the centerlines and spacing of each existing and new structure and shall mark the type of structure and foundation of each such structure with a specific identifier. The structure and foundation details will be submitted as new drawings incorporated in the drawing set along with a materials list sheet and rebar schedule.

Construction Specifications

Customer or Engineer will utilize Company construction specifications for both above-grade and below-grade construction.

Conceptual Scope

There will be no conceptual work required at Coopers Corners.

Controls & Integration

It is currently anticipated that communications for the controls of the new (replacement) 345kV motor operated line disconnect switches will be required at Coopers Corners.

Relay settings

It is currently assumed that there will be no relay settings work required at Coopers Corners.

Secondary Wiring Scope

There will be no secondary work required at Coopers Corners.

Assumptions & Clarifications

- ▶ Company will be providing the applicable CAD Files, reference equipment vendor drawings at the start of design.

- ▶ No AC or DC studies will be completed as part of this project. ▶
- No phased construction drawings will be required.
- ▶ CT/PT metering not necessary. Lines to Rock Tavern do not have existing units.

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- ▶ Measures for environmentally contaminated and/or polluted material onsite is not included in this Scope.
- ▶ No traffic management plans or traffic impact studies are required.
- ▶ Engineer will contact Company to coordinate the acquisition of CAD files and reference equipment vendor drawings required by Engineer in connection with the Project. Company will furnish those items to Engineer within two (2) weeks of such request. Engineer will identify to Company those items described in this paragraph to be acquired.
- ▶ Use of Company standard specifications.

DELIVERABLES

Upon successful completion of design, drawings and relay settings will be issued for Company's Review and final approval. The flow of information will be broken down as follows:

30% Deliverables

- a. One-line Diagrams
- b. Panel Front Views
- c. General Arrangement
- d. Substation Elevations
- e. Conduit Plan
- f. Grounding Plan
- g. Preliminary Bill of Materials

90% Deliverables

- a. One-line Diagrams
- b. Three-line Diagrams
- c. Panel Front Views
- d. Communications Diagram
- e. Protective Relay Schematics
- f. Control Schematics
- g. Connection and Panel Wiring
- h. AC and DC Diagrams
- i. AC and DC Wiring Diagrams
- j. General Arrangement
- k. Substation Elevations and Details
- l. Conduit Plan and Details
- m. Cable and Conduit Schedule
- n. Grounding Plan and Details

- o. Equipment Drawings (As-builts)
- p. Complete Bill of Materials

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IFC Package

- a. Updated 90% deliverables with applicable comments incorporated

A demolition specification will be included as part of the IFC Design Documents.

Company will be requested to provide support in the above activities, including but not limited to the supply of drawings, specifications, criteria used to design Company stations, and procedures to operate and maintain the equipment / station, provide timely reviews of Customer's engineering, and provide final approval of technical designs, equipment specifications, construction drawings, and relay settings as required.

Craryville (NYSEG)

Craryville Substation is an existing 115/13.2kV substation located in Craryville, NY. Craryville Substation is proposed to have line #984 relocated into the new Churchtown switching station. Installation of a revenue metering package on Line #984 to Churchtown will be required. The services described in this section will be performed following Company standards.

Primary Electrical Scope

The following narrative describes the primary electrical work required to support these installations.

Should replacement/ upgrade be required, it is assumed that Company equipment specifications are available for all major materials listed above and working versions of these specifications will be provided for adaptation to site-specific needs. Customer's engineer will contact substation owner regarding and otherwise coordinate acquisition of these items.

Instrument Transformers

It is currently anticipated that Three (3) 115kV CT/PT metering units with associated junction boxes will be installed on line #984 to Churchtown. The exact location of these metering units and associated junction boxes will be determined during detailed engineering.

Conduits

New underground PVC conduits will be installed from the control enclosure to the proposed equipment as needed. This includes, but is not limited to the following:

- ▶ One (1) conduit for new 115kV CT/PT metering units.
- ▶ Conduits between the CT/PTs and the junction box.

Engineer will perform conduit fill calculations in accordance with Company and NEC standards to confirm proper cable and conduit sizing, as well as determine the final routing. It is assumed that the cable tray system is already adequately sized to accommodate additional cables.

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Engineer has assumed that conduit provisions to future equipment will not be designed or installed at this time.

Low Voltage Power and Control

New un-shielded low voltage (600V) power and control cable will be installed between new equipment and the control enclosure. Engineer will perform voltage drop calculations to verify that cables are sized such that an acceptable voltage drop is maintained.

Structural/Civil Scope

The structural scope of work at Craryville will include the foundations, structures, and respective calculations and reports necessary to design the new structures. It is assumed that Company will coordinate and acquire all necessary permits as needed.

Structures

To support the installation of the station installations, the following structures will be required:

- ▶ One (1) galvanized steel three phase CT/PT support.

Engineer has assumed Company structure drawings are available for the above noted structures and will be provided for use as reference. Company shall provide Engineer with standard structure performance drawings and calculations for the above noted structures and shall include all available information on all equipment used in said calculations. Engineer will use the provided information in conjunction with the reference drawings to analyze the structures for adequacy to support the proposed equipment and to determine if modifications are required. Engineer will modify the reference structure and produce a structure drawing to be submitted for IFC.

Foundations

Engineer will coordinate the collection of geotechnical data. This coordination includes creation of a scope of work, development of a boring location plan, soil resistivity traverse plan and technical specifications. Engineer will use the provided geotechnical engineering information and base reactions from the support structures to design new foundations. The following foundations will be designed:

- ▶ Two (2) pier foundations for three phase CT/PT supports.

In addition, Engineer will revise the structure key plan and foundation plan to illustrate the new structure supports and locations. The structure key plan and foundation plan will illustrate the centerlines and spacing and shall mark the type of structure and foundation with a specific identifier. The structure and foundation details will be submitted as new drawings incorporated in the drawing set along with a material list sheet and rebar schedule.

Engineer has assumed that foundations for future equipment will not be designed or installed at this time.

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Conceptual Scope

Station drawings and labels will be updated to reflect the transmission line updates at Craryville.

Controls & Integration

Station drawings and labels will be updated to reflect the transmission line updates at Craryville.

Relay settings

It is currently anticipated that there will be no relay settings work required at Craryville. This is subject to confirmation

Secondary Wiring Scope

It is anticipated that there will be no secondary wiring work required at Craryville.

Assumptions & Clarifications

- ▶ Substation owner will be providing the applicable CAD Files and reference equipment vendor drawings. Subject to confirmation, no change to the primary electrical equipment, conceptual design, or relay settings are currently anticipated for this station.
- ▶ A setting package will be produced to reflect the upgrade of the transmission line
- ▶ Engineer assumes existing line #984 relays at Craryville substation are sufficiently capable to accept any necessary setting changes and new line relay panels will not be required. This will require confirmation.

Deliverables

Upon successful completion of design, drawings, construction.

b. Three-line
Diagrams
c. Panel Front
Views

30% Deliverables

- a. One-line Diagrams
- b. Panel Front Views
- c. General Arrangement
- d. Substation Elevations
- e. Communications Diagram
- f. Protective Relay Schematics
- g. Control Schematics
- h. AC and DC Diagrams
- i. Preliminary Bill of Materials

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- a. One-line Diagrams

and relay settings will be issued for

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- d. Communications Diagram
- e. Protective Relay Schematics
- f. Control Schematics
- g. Connection and Panel Wiring
- h. General Arrangement
- i. Substation Elevations
- j. AC and DC Diagrams
- k. AC and DC Wiring Diagrams
- l. Relay Setting calculations and native relay files
- m. Complete Bill of Materials

IFC Package

- a. Updated 90% deliverables with applicable comments incorporated

Company will be requested to provide support in the above activities, including but not limited to the supply of drawings, specifications, criteria used to design Company stations, etc., provide timely reviews of Customer's engineering, and provide final approval of technical designs, equipment specifications, construction drawings, and relay settings as required.

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FALLS PARK (NYS EG)

Falls Park Substation is an existing 115/34.5 substation and recently placed into service in Ghent, NY. The 115kV Line #14N is a three terminal line that connects Falls Park to Schodack and Valkin substations, the #14N will be retired and the new #15N line will connect Falls Park and Valkin. The 115kV Line #14S is being rerouted from 115kV Churchtown to the 115kV Hudson substation and being renamed #15S. The services required at Falls Park Substation include updating relay settings on lines #15N and #15S. The services described in this section will be performed following Company standards.

Should replacement/ upgrade be required, it is assumed that Company equipment specifications are available for all major materials listed above and working versions of these specifications will be provided for adaptation to site-specific needs. Customer's engineer will contact substation owner regarding and otherwise coordinate acquisition of these items.

Primary Electrical Scope

The following narrative describes the primary electrical work required to support these installations.

Instrument Transformers

Three (3) 115kV CT/PT metering units with associated junction boxes will be installed on Line #15S to National Grid Hudson. The exact location of these metering units will be determined during detailed engineering.

Conduits

New underground PVC conduits with RGS transition risers will be installed from the control enclosure to the proposed equipment as needed. This includes, but is not limited to the following:

- ▶ One (1) conduit for 115kV CT/PTs.
- ▶ Conduits between the CT/PTs and the junction boxes.

Engineer will perform conduit fill calculations in accordance with Company and NEC standards to confirm proper cable and conduit sizing, as well as determine the final routing. It is assumed that the cable tray system is already adequately sized to accommodate additional cables.

Engineer has assumed that conduit provisions to future equipment will not be designed or installed at this time.

Low Voltage Power and Control

New un-shielded low voltage (600V) power and control cable will be installed between new equipment and the control enclosure. Engineer will perform voltage drop calculations to verify that cables are sized such that an acceptable voltage drop is maintained.

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Materials Design

Engineer will develop a BOM for the station installations. Minor materials will be added to the BOM as they are identified during detailed design. Engineer will prepare an issued for bid package detailing major materials for procurement. The bid package will include the item specific BOM number and Company material specifications updated with site-specific information. Major materials to include:

- ▶ 115kV CT/PT

Engineer has assumed Company equipment specifications are available for all major materials listed above and working versions of these specifications will be provided for adaptation to sitespecific needs. Engineer will contact Company regarding and otherwise coordinate acquisition of these specifications.

Structural Scope

The structural scope for the work at Falls Park will include the foundations, structures, respective calculations and reports necessary to design the new structures.

Structures

To support the installation of the station installations, the following structures will be required:

- ▶ One (1) galvanized steel three phase CT/PT supports.

Engineer will contact Company to coordinate the acquisition of Company standard structure drawings, standard structure performance drawings and calculations for the above-noted structures and available information on equipment used in the calculations as may be requested by the engineer. Engineer will use the provided information in conjunction with the reference drawings to analyze the structures for adequacy to support the proposed equipment and to determine if modifications are required. Engineer will modify the reference structure and produce a structure drawing to be incorporated into the IFC design documents.

Foundations

Engineer will coordinate the collection of geotechnical data. This coordination includes creation of a scope of work, development of a boring location plan, soil resistivity traverse plan and technical specifications. Engineer will use the obtained geotechnical engineering information and base reactions from the support structures to design new foundations. The following foundations will be designed:

- ▶ Two (2) pier foundations for three phase CT/PT supports.

In addition, Engineer will revise the foundation plan to illustrate the new structure supports and locations. The foundation plan will illustrate the centerlines and spacing of each existing and new structure and shall identify the type of structure and foundation of each such structure with a

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specific identifier. The structure and foundation details will be submitted as new drawings incorporated in the drawing set along with a material list sheet and rebar schedule.

Engineer has assumed that foundations for future equipment will not be designed or installed at this time.

Conceptual Scope

Station drawings and labels will be updated to reflect the transmission line updates at Falls Park.

Controls & Integration

The Controls & Integration scope includes installing a new intercompany revenue meter for Line #15S to Hudson and adding RTU/Annunciator inputs associated with the upgrades. The revenue meter will be an E850 MAXsys Elite mounted to a form 9S meter socket and will be installed on the control house wall. It is assumed that the existing RTU/Annunciator is adequate for the project, and Company will provide a point assignment list.

Relay settings

Relay settings for the new relays associated with lines #15N and #15S will be provided in this scope of work. A coordination study will be performed to properly coordinate line settings with adjacent lines. Setting calculations will be developed to document the design basis for each relay. Native relay setting files will be created for each relay based on the associated setting calculation.

Secondary Wiring Scope

Secondary Wiring Scope Services will include preparing wiring diagrams, connection diagrams, and secondary drawing lists associated with the primary and conceptual engineering design deliverables.

COMMUNICATIONS

The communications scope includes installing a new communication channel (leased line) between Hudson and Falls Park.

Assumptions & Clarifications

- ▶ The DC & AC station service capacity is assumed to be adequate for the proposed scope and DC & AC studies are not required.
- ▶ No phased construction drawings will be required.
- ▶ It is assumed existing line #15S line relays are compatible with relays at Hudson Substation and Line #15N are compatible with Schodack.
- ▶ Engineer will contact Company to coordinate the acquisition of the following items:

(a) CAD Files and reference equipment vendor drawings required by Engineer in connection with the project; (b) a system model in ASPEN Oneliner format for protective coordination study; and (c) standard protection guidelines or system

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protection philosophies. Company will furnish those items acquired to Engineer by SPECIFY DATE IN SCHEDULE. Engineer will identify to the owner those items described in this paragraph to be acquired.

- ▶ Company shall provide a system model in ASPEN One-liner format for protective coordination study.
- ▶ Company shall provide standard templates example calculations for developing settings calculation documents. In the absence of standard templates or example calculations, standard documents will be used.

Deliverables

Upon successful completion of design, drawings and relay settings will be issued for construction.

30% Deliverables

- a. One-line Diagrams
- b. Panel Front Views
- c. General Arrangement
- d. Substation Elevations
- e. Structure Plan
- f. Foundation Plan
- g. Conduit Plan
- h. Grounding Plan
- i. Preliminary Bill of Materials

90% Deliverables

- a. One-line Diagrams
- b. Three-line Diagrams
- c. Panel Front Views
- d. Communications Diagram
- e. Protective Relay Schematics
- f. Control Schematics
- g. Connection and Panel Wiring
- h. AC and DC Diagrams
- i. AC and DC Wiring Diagrams
- j. General Arrangement
- k. Structural Steel Plan and Details
- l. Substation Elevations and Details
- m. Foundation Plan and Details
- n. Conduit Plan and Details
- o. Cable and Conduit Schedule

- p. Grounding Plan and Details
- q. Equipment Drawings (As-build's)

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- r. Relay Setting calculations and native relay files
- s. Complete Bill of Materials

IFC Package

- a. Updated 90% deliverables with applicable comments incorporated

Company will be requested to provide support in the above activities, including but not limited to the supply of drawings, specifications, criteria used to design Company stations, etc, provide timely reviews of Customer's engineering, and provide final approval of technical designs, equipment specifications, construction drawings, creation and approval of Purchase orders, and relay settings as required.

The Customer will work with equipment suppliers to ensure that the manufacturers' warranties are in the name of Company for Company owned / retained upgrades.

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EXHIBIT B

CUSTOMER REQUIRED ACTIONS

Customer Required Actions

The Customer Required Actions shall consist of the following:

1. Customer or Customer designee shall prepare and submit to Company for review and approval, all necessary Engineering Packages needed.
2. Customer or Customer designee shall prepare and submit to Company for review and approval, all necessary Procurement / Equipment items.
3. Customer or Customer designee shall setup, run and coordinate, at a minimum, monthly meetings for project status, support and updates.
4. Customer shall prepare, file for, and use commercially reasonable efforts to obtain all required approvals necessary to perform its obligations under this Agreement.
5. If and to the extent applicable or under the control of the Customer, provide complete and accurate information regarding the Customer's project and all applicable data, drawings and specifications, as needed.
6. Other responsibilities and access deemed necessary by Customer and/or Company to facilitate performance of the Company Work.
7. Conduct a survey of the Company Substations covered, under this agreement, to identify the boundaries of the property owned by Company and any easements encumbering such property.
8. Perform or allow the Customer or Customer designee to perform soil borings and sampling to determine soil characteristics for potential foundation design.
9. Customer will work with equipment suppliers to ensure that the manufacturers' warranties are in the name of Company for Company owned / retained upgrades.
10. Customer or Customer designee will perform all required construction required to incorporate the Project.

11. Customer or Customer designee will perform all required start up testing and commissioning of the newly installed Company Substation equipment required to incorporate the Project.

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Exhibit C: Schedule

Below is an estimated schedule and the Company shall endeavor to complete the work in the timeframes and schedules mutually agreed upon by the Parties. The Schedule provided below are the dates the Customer or its designee will provide design packages to Company for review and comment. Company shall have thirty (30) days to provide a consolidated set of comments to the Engineer.

Station	Owner	O&M	30% Package Submitted to NYSEG on 02-Sep- 2019	Revised 30% Package Submittal	Civil & Electrical Physical 90% Package Submittal	Protection & Control 90% Package Submittal	Telecom & SCADA 90% Packages Submittal	Relay Settings Submittal
Coopers Corner	NYSEG	NYSEG	Provide review and comment within 20 business days of execution of this document		execution of this document	03-Aug-2020 7-May-2021	1 03-Aug-2020	17-May-2021
Craryville	NYSEG	NYSEG	Provide review and comment within 20 business days of execution of this document			03-Aug-2020 7-May-2021	1	
Falls Park	NYSEG	NYSEG	Provide review and comment within 20 business days of					

17-May-2021

17-May-2021

07-Jul-2021

29-Mar-2021

26-Apr-2021

04-Aug-2021

1-Mar-2021

	26-Apr-2021		07-Jul-2021					
Engineering & Procurement Agreement								

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Upon receipt of payment, the Parties shall develop and agree upon the schedule of the services, taking into account the Customer's anticipated schedule for submittal of information to the Company and the commitments made to the NYISO for completion of the overall project by the Customer. The Company agrees to provide comments or approvals in accordance with the agreed upon schedule.

NYISO Agreements --> Service Agreements --> E&P Agreement between NYSEG and NY Transco

Engineering & Procurement Agreement

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Exhibit D: Insurance Requirements

The Company agrees to provide Certificates of Insurance or Memorandums of Insurance evidencing the existence of insurance policies issued to it or self-insured coverage limits, satisfactory to the coverages and minimum limitations set forth below, and not subject to cancellation or material change without the Company giving thirty (30) days prior written notice to the Customer, which policies or equally satisfactory renewals or extensions thereof shall be maintained in force during the term of this Agreement, as follows:

Workers Compensation and Employers Liability Insurance as required by the State of New York. If required, coverage shall include the U.S. Longshoremen's and Harbor Workers' Compensation Act and the Jones Act.

Commercial General Liability (CGL), including Contractual Liability, and Product/Completed Operations Liability Insurance covering all insurable operations required under the provisions of this Agreement with the following minimum limits of liability:

Combined single limit - \$1,000,000 per occurrence

Automobile Liability - covering all owned, non-owned and hired vehicles used in connection with all operations, work or services to be performed by or on behalf of the Company under or in connection with this Agreement with minimum limits of:

Combined Single Limit - \$1,000,000 per occurrence.

Customer shall be included as an Additional Insured on the Company's liability insurance policy(ies) with respect to the activities governed by this Agreement. Upon request, the Company shall promptly provide the Customer with either evidence of insurance or certificates of insurance evidencing the insurance coverage above. The Company shall provide such certificates or evidence of insurance to Customer at the following address:

To: New York Transco LLC
One Hudson City Center, 3rd Floor
Hudson, NY 12534
Attn: Victor Mullin, President
Email: Victor.Mullin@NYTransco.com

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With a copy to: New York Transco LLC
One Hudson City Center, 3rd Floor
Hudson, NY 12534
Attn: Kathleen Carrigan, General Counsel
Email: Kathleen.Carrigan@NYTransco.com

1. Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.
2. If the Company fails to secure or maintain any insurance coverage, or any insurance coverage is canceled before the completion of all services provided under this Agreement, and the Company fails immediately to procure such insurance as specified herein, then the Customer has the right but not the obligation to procure such insurance and, at its option, either bill the cost thereof to Company or deduct the cost thereof from any sum due the Company under this Agreement.
3. To the extent requested, each Party shall furnish to the other Party copies of any accidents report(s) sent to the furnishing Party's insurance carriers covering accidents or incidents occurring in connection with or as a result of the performance of the Work under this Agreement.
4. The Company shall comply with any governmental and/or site-specific insurance requirements even if not stated herein.

By the date that such coverage is required, the Company represents to the Customer that it will have full policy limits available and shall notify the Customer in writing when coverages required herein have been reduced as a result of claim payments, expenses, or both.

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