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COST REIMBURSEMENT AGREEMENT

THIS COST REIMBURSEMENT AGREEMENT (the "Agreement"), made and entered into as of this November 9, 2012 (the "Effective Date"), by and between the NEW YORK POWER AUTHORITY, having an office and place of business at 30 South Pearl Street, Albany, New York 12207 (the "Customer”), and NIAGARA MOHAWK POWER CORPORATION, a corporation organized and existing under the laws of the State of New York, having an office and place of business at 300 Erie Boulevard West, Syracuse, New York 13202 (the "Company"). Customer and Company may be referred to hereunder, individually, as a "Party" or, collectively, as the "Parties".

WITNESSETH

WHEREAS, Customer is seeking to address potential discrepancies between the design
and actual field conditions of its transmission facilities in accordance with the facility ratings
alert issued by NERC (defined below) on October 7, 2010, and updated on November 30, 2010;
and

WHEREAS, Customer undertook a review of its transmission facilities and identified a
number of field conditions which may have the potential to result in discrepancies in line ratings;
and

WHEREAS, some of the field conditions impacting Customer's transmission facilities are certain structures owned or operated by Company over which Customer's facilities pass (i.e., "underbuilt structures");

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein, the Parties agree as follows:

1.0 Definitions

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

"Agreement" means this Cost Reimbursement Agreement including all annexes, appendices, attachments, schedules and exhibits and any subsequent amendments, supplements, or modifications thereto, as mutually agreed to and executed by the Parties.

"Company Reimbursable Costs" means the actual costs and expenses incurred by Company
and/or its affiliates in connection with performance of the Work (as defined below) or
otherwise incurred by Company in connection with the Project (as defined below) or this
Agreement, and including, without limitation, any such costs that may have been incurred by
Company prior to the Effective Date. These Company Reimbursable Costs shall include,

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without limitation, the actual expenses for labor (including, without limitation, internal

labor), services, materials, subcontracts, equipment or other expenses incurred in the execution of the Work or otherwise in connection with the Project, all applicable overhead, all federal, state and local taxes incurred, all costs of outside experts, consultants, counsel and contractors, all other third-party fees and costs, and all costs of obtaining any required consents, releases, approvals, or authorizations.

"Day" means a calendar day, provided, that, if an obligation under this Agreement falls due
on a Saturday, Sunday or legal holiday, the obligation shall be due the next business day
worked.

"Dollars" and "$" mean United States of America dollars.

"Environment" shall mean soil, surface waters, groundwaters, land, stream sediments, surface or subsurface strata, and ambient air.

"Environmental Law" shall mean any environmental or health-and-safety-related law,

regulation, rule, ordinance, or by-law at the federal, state, or local level, whether existing as of the date hereof, previously enforced or subsequently enacted, or any judicial or
administrative interpretation thereof.

"Estimated Cost of Work" shall have the meaning set forth in Schedule A attached hereto.

"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
Project is located. Good Utility Practice shall include, but not be limited to, NERC (defined
below) criteria, rules, guidelines, and standards, NPCC (defined below) criteria, rules,

guidelines, and standards, NYSRC (defined below) criteria, rules, guidelines, and standards, and NYISO (defined below) criteria, rules, guidelines, and standards, where applicable, and as they may be amended from time to time, including the rules, guidelines, and criteria of any successor organization to the foregoing entities. When applied to Customer, the term Good Utility Practice shall include standards applicable to a utility generator connecting to the distribution or transmission facilities or system of another utility.

"Hazardous Substances" means any pollutant, contaminant, toxic substance, hazardous

material, hazardous waste, or hazardous substance, or any oil, petroleum, or petroleum

product, as defined in or pursuant to the Federal Clean Water Act, as amended, the

Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq., or any other Environmental Law.

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

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

"NYISO" shall mean the New York Independent System Operator, Inc. "NYSRC" shall mean the New York State Reliability Council.

"Project Manager" means the respective representative of Customer and the Company appointed pursuant to Section 27.1 of this Agreement.

"Project" means the Work to be performed under this Agreement by the Company.

"Release" shall mean any releasing, spilling, leaking, contaminating, pumping, pouring,

emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Substances into the Environment.

"Threat of Release" shall mean a substantial likelihood of a Release that requires action to prevent or mitigate damage to the Environment that may result from such Release.

"Subcontractor" means any organization, firm or individual, regardless of tier, which Company retains in connection with the Agreement.

"Supplemental Conditions" means those terms and conditions, if included in the Agreement
by mutual written agreement of the Parties, which add to or modify the Agreement and are
incorporated by reference as if fully set forth in the Agreement. In the case of a conflict
between the Supplemental Conditions and the Agreement, the Supplemental Conditions shall
prevail.

"Work" shall have the meaning specified in Section 3.1 of this Agreement.

2.0 Term

2.1 This Agreement shall become effective as of the Effective Date and shall remain

in full force and effect until performance has been completed hereunder and final

payment is made as contemplated by this Agreement.

3.0 Scope of Work

3.1 The scope of work is set forth in Schedule A of this Agreement, attached hereto

and incorporated herein by reference (the "Work").

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3.2 Company shall use reasonable efforts to perform the Work in accordance with

Good Utility Practice. Prior to completion of the Work, Customer shall have the
right to notify the Company of the need for correction of defective Work that does
not meet the standards of this Section 3.2. If the Work is defective within the
meaning of the prior sentence, the Company shall promptly complete, correct,
repair or replace such defective Work, as appropriate, at no added cost to the
Customer if the previously incurred total Company Reimbursable Costs are equal
to or in excess of the Estimated Cost of Work. However, as long as the total
Company Reimbursable Costs do not exceed the Estimated Cost of Work, then
items of defective Work identified by the Customer prior to completion of the
Work that Company reasonably determines need to be re-performed in order to
comply with the standards in this Section 3.2 shall be completed or re-performed
subject to reimbursement of all costs associated therewith as part of Company
Reimbursable Costs. The remedy set forth in this Section is the sole and
exclusive remedy granted to Customer for any failure of Company to meet the
performance standards or requirements set forth in this Agreement.

4.0 Changes in the Work

4.1 Each Party shall inform the other no later than the start of Work in writing of the

name and contact information for the respective Project Manager per Section 25.1 of this Agreement.

4.2 If Customer requests a change in the Work, such request shall be submitted to the

Company in writing. If the Parties agree to a change in the Work, such agreed
change will be set forth in writing, and the Work schedule shall be adjusted and/or
extended as mutually agreed by the Parties. Any additional costs arising from
such change shall be paid by the Customer as part of Company Reimbursable
Costs when invoiced by the Company in accordance with Section 7.2 of this
Agreement.

4.3 Notwithstanding the above, Company may make any reasonable changes in the

Work to ensure the completion of the Project, prevent delays in the schedule, or
meet the requirements of governmental authorities, laws, regulations, ordinances,
Good Utility Practice and/or codes. Company shall provide Customer with notice
of the changes to the Work within fifteen (15) business days of such changes
being implemented. The Work schedule shall be adjusted accordingly and any
additional costs shall be paid by the Customer as part of Company Reimbursable
Costs when invoiced by the Company in accordance with Section 7.2 of this
Agreement.

5.0 Performance and Schedule

5.1 The Company shall use commercially-reasonable efforts to attempt to have Work

performed by its direct employees performed during normal working hours. The
foregoing notwithstanding, if Work is performed outside of normal working hours,

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Customer shall be responsible for paying all actual costs incurred in connection therewith, including, without limitation, applicable overtime costs, as part of Company Reimbursable Costs.

5.2 If Customer requests, and the Company agrees, to work outside normal working

hours due to delays in the Project schedule or for other reasons, Company shall be
entitled to recover all resulting costs as part of Company Reimbursable Costs.

5.3 The Projected Project Milestone Schedule is set forth in Schedule B, attached

hereto and incorporated herein by reference. The Projected Project Milestone

Schedule is an estimate only and subject to change.

6.0 Estimate Only; Customer Obligation to Pay Company Reimbursable Costs.

6.1 The Work Cost Estimate (as defined in Schedule A) is an estimate only.

Customer shall pay all Company Reimbursable Costs actually incurred by

Company.

7.0 Payment

7.1 Within thirty (30) Days following the Effective Date, the Company shall invoice

Customer for an initial prepayment of Two Hundred Thirty-Nine Thousand Six Hundred dollars ($239,600) ("Initial Prepayment") and Customer shall pay the Initial Prepayment to Company net thirty (30) Days of invoice receipt. Company shall not be obligated to commence Work under this Agreement prior to receiving the Initial Prepayment.

7.2 Company may periodically invoice Customer for Company Reimbursable Costs

incurred. Company is not required to issue periodic invoices to Customer and
may elect, in its sole discretion, to continue performance hereunder after the
depletion of the Initial Prepayment or Second Prepayment, as applicable, and
invoice Customer at a later date. Except as otherwise expressly provided for in
this Agreement, all invoices shall be due and payable net thirty (30) Days from
receipt of the invoice. The payment of interest by Customer on overdue amounts
in connection with this Agreement shall be governed by subparagraphs 5 through

8 of paragraph D of the Customer's prompt payment policy, a copy of which is
attached hereto as Schedule F ("Prompt Payment Policy"). For the avoidance of
doubt: in the event of any difference or conflict between the terms of this
Agreement and the terms of the Prompt Payment Policy, the terms of this
Agreement shall govern. In addition to any other rights and remedies available to
Company, if any payment due from Customer under this Agreement is not
received within five (5) Days of the applicable invoice due date, Company may
suspend any or all Work pending receipt of all overdue amounts from Customer.

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7.3 Company's invoices to Customer for all sums owed under this Agreement shall be

sent to the individual and address specified below, or to such other individual and address as Customer may designate upon written notice to the Company:

New York Power Authority

ATTN: Accounts Payable

P. O. Box 437

White Plains, N.Y. 10602-0437

7.4 Payments to the Company shall be made by Automated Clearing House transfer in

accordance with the following bank instructions:

Wire Payment: JP Morgan Chase ABA#.021000021

Credit: National Grid USA Account #.77149642

8.0 Final Payment

8.1 Following completion of the Work, the Company shall perform an overall

reconciliation of the total of all Company Reimbursable Costs to the invoiced
costs previously paid to Company by Customer under this Agreement ("Total
Payments Made"). If the total of all Company Reimbursable Costs is greater than
the Total Payments Made, the Company shall provide a final invoice to Customer
for the balance due to the Company under this Agreement (the "Balance

Amount"). If the Total Payments Made is greater than the total of all Company Reimbursable Costs, Company shall reimburse the difference to Customer ("Reimbursement Amount"). The Reimbursement Amount or Balance Amount, as applicable, shall be due and payable upon final reconciliation but no later than sixty (60) Days after such reconciliation.

9.0 Customer's Responsibilities-

9.1 The Customer's responsibilities are set forth in Schedule C of this Agreement,

attached hereto and incorporated herein by reference.

9.2 Customer shall reasonably cooperate with Company as required to facilitate

Company's performance of the Work.

9.3 Company shall have no responsibility or liability under this Agreement for any

delay in performance, defective performance or nonperformance to the extent
such delay in performance, defective performance or nonperformance is caused
by the inability or failure of (a) Customer to cooperate or to perform any tasks or
responsibilities contemplated to be performed or undertaken by the Customer in
Schedule C or elsewhere in this Agreement or (b) Customer and Company to

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reach agreement on any matter requiring their mutual agreement under the terms of this Agreement.

10.0 Meetings

10.1 Each Party's Project Manager shall attend Project meetings at times and places

mutually agreed to by the Parties.

11.0 Disclaimers

11.1 THE COMPANY IS NOT IN THE BUSINESS OF PERFORMING DESIGN OR

CONSTRUCTION SERVICES FOR PROFIT AND IS NOT RECEIVING ANY
FEE OR PROFIT (AS CONTRASTED WITH COST REIMBURSEMENT) FOR
ITS PERFORMANCE OF THE WORK HEREUNDER. THE EXCLUSIVE
REMEDY GRANTED TO CUSTOMER FOR ANY ALLEGED FAILURE OF
COMPANY TO MEET THE PERFORMANCE STANDARDS OR
REQUIREMENTS SET FORTH HEREIN IS AS SET FORTH IN SECTION

3.2. COMPANY MAKES NO WARRANTIES, REPRESENTATIONS, OR
GUARANTEES IN CONNECTION WITH THE AGREEMENT, ANY
PROJECT, OR ANY WORK OR SERVICES PERFORMED IN CONNECTION
THEREWITH, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT
LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY
AND FITNESS FOR A PARTICULAR PURPOSE. THIS DISCLAIMER
SHALL SURVIVE ANY TERMINATION OR EXPIRATION OF THE
AGREEMENT. CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY
WARRANTIES PROVIDED BY ORIGINAL MANUFACTURERS,
LICENSORS, OR PROVIDERS OF MATERIAL, EQUIPMENT OR OTHER
ITEMS PROVIDED OR USED IN CONNECTION WITH THE WORK,
INCLUDING ITEMS INCORPORATED IN THE WORK ("THIRD PARTY
WARRANTIES"), ARE NOT TO BE CONSIDERED WARRANTIES OF THE
COMPANY AND THE COMPANY MAKES NO REPRESENTATIONS,
GUARANTEES, OR WARRANTIES AS TO THE APPLICABILITY OR
ENFORCEABILITY OF ANY SUCH THIRD PARTY WARRANTIES.

11.2 Notwithstanding any other provision of this Agreement, this Article shall survive

the termination or expiration of this Agreement.

12.0 Liability and Indemnification

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12.1 To the fullest extent permitted by applicable law, Customer shall indemnify and

hold harmless, and at Company's option, defend Company, its parents and
affiliates and their respective contractors, officers, directors, servants, agents,
representatives, and employees (each, individually, an "Indemnified Party" and,
collectively, the "Indemnified Parties"), from and against any and all liabilities,
damages, losses, costs, expenses (including, without limitation, any and all

reasonable attorneys' fees and disbursements), causes of action, suits, liens,
claims, damages, penalties, obligations, demands or judgments of any nature,
including, without limitation, for death, personal injury and property damage,
economic damage, and claims brought by third parties for personal injury and/or
property damage (collectively, "Damages"), incurred by any Indemnified Party to
the extent caused by the negligence, unlawful act or omission, or intentional
misconduct of Customer, its parents or affiliates, third-party contractors, or their
respective officers, directors, servants, agents, representatives, and employees,
arising out of or in connection with this Agreement, the Project, or any Work,
except to the extent such Damages are caused by the negligence, intentional
misconduct or unlawful act of the Company or any person or entity for whom
Company is legally responsible.

12.2 The Company's total cumulative liability to Customer for all claims of any kind,

whether based upon contract, tort (including negligence and strict liability), or otherwise, for any loss, injury, or damage connected with, or resulting from, this Agreement or the Work, shall not exceed the aggregate amount of all payments made to Company by Customer under this Agreement.

12.3 Neither Party shall be liable to the other Party for consequential, indirect, special,

incidental, multiple, or punitive damages (including, without limitation, attorney's fees or litigation costs) in connection with or related to this Agreement, including, without limitation, damage claims based on causes of action for breach of contract, tort (including negligence), or any other theory of recovery, whether or not (i) such damages were reasonably foreseeable or (ii) the Parties were advised or aware that such damages might be incurred.

12.4 Neither Party shall be liable to the other Party for claims of lost profits, delays,

loss of use, business interruption, or claims of customers, whether such claims are categorized as direct or consequential damages, or whatever the theory of recovery, and whether or not (i) such damages were reasonably foreseeable or (ii) the Parties were advised or aware that such damages might be incurred.

12.5 Anything in this Agreement to the contrary notwithstanding, neither Party shall be

responsible for any failure or inability to perform hereunder to the extent such failure or inability is caused by the acts or omissions of the other Party (including any contractor of such other Party or any person or entity for whom such other Party is legally responsible) or any third party.

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12.6 Notwithstanding any other provision of this Agreement, this Article shall survive

the termination or expiration of the Agreement.

13.0 Employee Claims; Insurance

13.1 The Company elects to self-insure to maintain the insurance coverage amounts set

forth in Schedule D of this Agreement.

13.2 Prior to commencing Work on the Project and during the term of the Agreement,

the Customer, at its own cost and expense, shall procure and maintain insurance in form and amounts set forth in Schedule D of this Agreement, or shall, at the Customer's sole and absolute discretion, elect to self-insure provided that the Customer provides written notice to the Company prior to commencing any Work under this Agreement.

13.3 Prior to commencing the Work, the Customer, provided that that the Customer

does not elect to self insure, shall have its insurer, if any, furnish to the Company
certificates of insurance, on forms approved by the Insurance Commissioner of
the State of New York, evidencing the insurance coverage required by this Article

14.0.

13.4 Each Party shall be separately responsible for insuring its own property and

operations.

14.0 Assignment and Subcontracting

14.1 Each Party may assign this Agreement or any part thereof to any affiliated entity

controlling, controlled by, or under common control with, the assigning Party
provided such assignee shall be bound by the terms and conditions of this
Agreement. For purposes of this Section, "control" of an entity shall mean the
ownership of, with right to vote, fifty percent (50%) or more of the outstanding
voting securities or equity of such entity. Any assignment of this Agreement in
violation of the foregoing shall be voidable at the option of the non-assigning
Party.

15.0 Independent Contractor

15.1 Company and Customer shall be independent contractors, and neither Party shall

be deemed to be an agent of the other Party.

16.0 Examination, Inspection and Witnessing

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16.1 Subject to Customer's and its representatives' compliance with Company's

security and other access requirements, the Customer and/or its representatives shall have the right to inspect and examine the Work, from time to time, at Customer's sole cost and expense, with reasonable prior notice to Company. Unless otherwise agreed between the Parties, such inspections, examinations and tests shall be scheduled during normal business hours.

16.2 Company shall inspect all Work and make or cause to be made all tests required

by Good Utility Practice at Customer's sole cost and expense as part of Company Reimbursable Costs.

16.3 At times and places mutually agreed to by the Parties, Customer and Company, or

their respective designated representatives, shall be entitled to witness any test contemplated by this Agreement.

17.0 Safety

17.1 Each Party shall be responsible for the safety and supervision of its respective
 employees involved with the Work or on the Sites. In connection with the
 Project, both Parties shall, and shall require their respective representatives,
 contractors, and employees to, comply with all applicable Federal, state and local
 safety requirements, rules, regulations, laws and ordinances, including without
 limitation, compliance with the safety regulations adopted under the Occupational
 Safety and Health Act of 1970 (OSHA), as amended from time to time.

18.0 Approvals, Permits and Easements

18.1 The actual cost of obtaining all permits, licenses, permissions, or consents

obtained by Company necessary for the Project and the Work shall be paid for by Customer as part of Company Reimbursable Costs.

19.0 Environmental Protection; Hazardous Substances or Conditions

19.1 Customer agrees to hold harmless, defend, and indemnify the Company, its
 affiliates and contractors, and their respective directors, officers, agents, servants,
 employees and representatives from and against any and all claims and/or liability
 in connection with, relating to, or arising out of (i) the presence, discovery,
 release, threat of release or generation of Hazardous Substances in connection
 with the activities contemplated by this Agreement, or (ii) the breach by Customer
 (or any person or entity for whom Customer is legally responsible) of any Federal,
 state, or local laws, rules, regulations, codes, or ordinances relating to the
 environment, including, without limitation, the Comprehensive Environmental
 Response, Compensation and Liability Act, as amended, 42 U.S.C. §§ 9601 et
 seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§

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6901 et seq., except to the extent such presence, discovery, release, threat of
release, generation or breach (i) occurred prior to the Effective Date as a result of
the acts or omissions of the Company or any person or entity for whom the
Company is legally responsible or (ii) is or are caused by the negligent or
unlawful act of the Company or of any person or entity for whom the Company is
legally responsible. The obligations under this Section shall not be limited in any
way by any limitation on Customer's insurance or by any limitation of liability or
disclaimer provisions contained in this Agreement. The provisions of this Section
shall survive the expiration or earlier termination of this Agreement.

19.2 Customer shall promptly inform the Company, in writing, of any known

Hazardous Substances, or unsafe, dangerous, or potentially dangerous, conditions
or structures, whether above-ground or underground, that are present on, under,
over, or in Customer owned, occupied, used, or operated facilities or property
(including, without limitation, easements, rights-of-way, or other third-party
property, but excluding any property or facilities that have been exclusively
occupied, used or operated by Company) to be used or accessed in connection
with the Work or the Project.

20.0 Suspension of Work

20.1 Subject to Section 21.2, below, Customer may interrupt, suspend, or delay the

Project upon written notice to the Company specifying the nature and expected duration of the interruption, suspension, or delay. Customer shall be responsible to pay Company for all costs incurred by Company that arise as a result of such interruption, suspension or delay.

20.2 As a precondition to the Company resuming the Work following a suspension

under Section 21.1, the estimated schedule shall be revised as mutually agreed by the Parties to reflect the interruption, suspension, or delay. Adjustments to the Company Reimbursable Costs shall reflect any costs or expenses the Company incurs as a result of the interruption, suspension, or delay.

21.0 Right to Terminate Agreement

21.1 Notwithstanding any other provision of this Agreement, if either Party (a) fails to

comply with any of the material terms or conditions of the Agreement; (b) sells or
transfers all or substantially all of its assets; (c) enters into any voluntary or

involuntary bankruptcy proceeding or receivership; or (d) makes a general

assignment for the benefit of its creditors, then the other Party shall have the right,
without prejudice to any other right or remedy and after giving five (5) Days'
written prior notice to the other Party and a reasonable opportunity for cure (not to
exceed thirty (30) days in the case of a failure to pay amounts when due), to
terminate this Agreement, in whole or in part, and thereupon each Party shall
immediately discontinue its performance hereunder to the extent feasible and

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make every reasonable effort to procure cancellation of existing commitments,
orders and contracts upon terms that are reasonably expected to minimize all
associated costs. However, nothing herein will restrict Company's ability to
complete aspects of the Work that Company must reasonably complete in order
return its facilities and the Sites to a configuration in compliance with Good
Utility Practice and all applicable laws, codes, regulations and standards.

21.2 If the event of any early termination or cancellation of the Work as contemplated

in this Agreement, Customer shall pay Company the Company Reimbursable

Costs for:

a. all Work completed on or before the effective date of termination or

cancellation;

b. other costs reasonably incurred by Company in connection with the

Work prior to Company's receipt of the termination or cancellation notice for materials, equipment, tools, construction equipment and machinery,
engineering and other items, materials, assets or services which cannot
reasonably be avoided, mitigated or cancelled;

c. costs reasonably incurred to unwind Work performed prior to

Company's receipt of the termination or cancellation notice to the extent reasonably necessary to return Company's facilities and the Sites to a configuration in compliance with Good Utility Practice and all applicable laws, codes, regulations and standards, including, without limitation, applicable NERC and NPCC protection; and

d. reasonable demobilization expenses incurred by Company which cannot

be reasonably avoided or mitigated.

22.0 Delays; Unforeseen Difficulties

22.1 Any delays or failure of performance by Company shall not constitute a default

and shall be excused hereunder, if and to the extent such delays or failures of performance are caused by unforeseen conditions or occurrences beyond the reasonable control of the Company. The price and time for performance under this Agreement shall be adjusted accordingly.

23.0 Force Majeure

23.1 A "Force Majeure Event" shall include fire, flood, windstorm, adverse weather

conditions, emergencies, explosion, riot, war, sabotage, acts of God, strikes or
labor slow-downs, court injunction or order, federal and/or state law or regulation,
delays by governmental authorities in approving license and permit requests
necessary in connection with the Work or Project, or order by any federal or state

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regulatory agency, or other similar causes beyond the affected Party's reasonable
control. Without limiting the foregoing, a "Force Majeure Event" shall also
include unavailability of personnel, equipment, supplies, or other resources
("Resources") due to diversion of such Resources for other utility-related duties in
connection with an emergency or other similar contingency, including, without
limitation, storms or other adverse weather condition. If a Force Majeure Event
should occur and impair the ability of either or both Parties to perform its, or their
respective, obligations hereunder, then, to the extent affected by such Force
Majeure Event, the performance of this Agreement, with the exception of
payment obligations, shall be suspended for the duration of such Force Majeure
Event. At the conclusion of a Force Majeure Event, the price and time for
performance under this Agreement shall be adjusted as reasonably necessary to
overcome the effect of the delay occasioned by such Force Majeure Event. The
foregoing notwithstanding and with the exception of payment obligations, if, as
the direct or indirect result of any Force Majeure Event, the Parties' continued
performance hereunder becomes irreparably impaired or prevented, the Parties
may mutually agree to terminate this Agreement, in whole or in part, with no
further obligation or liability; provided, however, that, notwithstanding any such
termination, Customer shall pay the Company all of the Company's Company
Reimbursable Costs incurred up to the effective date of such termination.

23.2 Within thirty (30) Days after the termination of any delay occasioned by a Force

Majeure Event, the affected Party shall give written notice to the other Party

specifying the estimated impact of the delay.

24.0 Extensions of Time

24.1 Company may reasonably request an extension to the schedule for changes in the

Project, as contemplated by Article 4.0, and for events of Force Majeure, as

provided in Article 23.0.

25.0 Proprietary and Confidential Information

25.1 Each Party acknowledges that in the course of the performance of this Agreement

it may have access to Proprietary Information, as hereinafter defined, of the other
Party. Proprietary Information shall include (i) all technical and other non-public
or proprietary information which is furnished or disclosed by the Disclosing Party
(as such term is defined below), or its affiliates (or its or its affiliates, agents,
servants, contractors, or employees) to the Receiving Party or its Representatives
(as such Willis are defined below) in connection with the Project or the Work 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 any Party or

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any third party) and (iii) memoranda, notes, reports, files, copies, extracts,

inventions, discoveries, improvements, or any other thing prepared or derived by the Receiving Party or its Representatives from the information described in (i) or (ii) preceding. All Proprietary Information in tangible form of expression which has been delivered (or thereafter created by copy or reproduction pursuant to this Agreement) shall be and remain the property of the Party which is disclosing such Proprietary Information (the "Disclosing Party ").

25.2 General Restrictions. Upon receiving Proprietary Information, the receiving Party

(the “Receiving Party”) and its Representative shall keep in strict confidence and
not disclose to any person (with the exception of the Representatives of the
Receiving Party, to the extent each such Representative has a need to know in
connection herewith) any of the Disclosing Party's Proprietary Information except
as otherwise provided by the terms and conditions of this Agreement. The
Receiving Party and its Representatives shall not use such Proprietary Information
except for the purposes identified herein without the prior written approval of the
Disclosing Party. The Receiving Party shall be solely liable for any breach of this
Section to the extent caused by its Representatives. For purposes of this Section,
the term "Representative(s)" shall mean the affiliates of the Receiving Party and
the officers, directors, employees, contractors, and representatives of such
Receiving Party and of its affiliates. Customer agrees that any Proprietary
Information will be used solely for the Project and will not be used, either directly
or indirectly, for the Customer's financial gain and/or commercial advantage or in
violation of any applicable laws, rules or regulations.

25.3 Additional Marking Requirements. In the event either Party discloses its

Proprietary Information to the other Party unmarked or in oral or visual form, the Disclosing Party shall notify the Receiving Party in writing that such Information is deemed proprietary within forty-eight (48) hours of its disclosure. Such
Proprietary Information shall be treated in the manner set forth above from the date such written notice is received.

25.4 Exceptions. The Receiving Party shall not be precluded from, nor liable for,

disclosure or use of any Proprietary Information if:

25.4.1 the Proprietary Information is in or enters the public domain, other than
 by a breach of this Section; or

25.4.2 the Proprietary Information 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 prior to or subsequent to such disclosure without
 similar restrictions from a source other than the Disclosing Party, as
 evidenced by written records; or

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25.4.3 the Proprietary Information is developed by the Receiving Party or
 its Representatives independently of any disclosure under this
 Agreement as evidenced by written records; or

25.4.4 the Proprietary Information is disclosed more than three (3) years
 after first receipt of the disclosed Proprietary Information, or three

(3) years after the termination or expiration of this Agreement, whichever occurs later ; or

25.4.5 the Disclosing Party consents to the disclosure or use of the
 Proprietary Information; or

25.4.6 the Receiving Party or its Representatives has a reasonable belief
 that disclosure of the Proprietary Information is necessary for
 public safety reasons and has attempted to provide as much
 advance notice of the disclosure to the Disclosing Party as is
 practicable under the circumstances.

Anything in this Section or the Agreement to the contrary notwithstanding, the
Receiving Party or its Representative(s) may disclose Proprietary 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 Proprietary Information. Receiving
Party will reasonably cooperate with the Disclosing Party to obtain such protective
order.

26.0 Governing Law

26.1 This Agreement is made and shall be interpreted, construed, governed, and

enforced in accordance with the laws of the State of New York without reference to such State's conflict-of-laws doctrine.

26.1.1 The Company and Customer agree to submit to the personal jurisdiction of the courts in the State of New York, or the Federal District courts in the State of
New York, as permitted by law, with respect to any matter or dispute arising out of this Agreement.

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27.0 Miscellaneous

27.1 Project Managers. Promptly following the Effective Date, each Party shall

designate a Project Manager and shall provide the other Party with a written

notice containing the name and contact information of its Project Manager.

Whenever either Party is entitled to approve a matter, the Project Manager for the Party responsible for the matter shall notify the Project Manager of the other Party of the nature of such matter. The Project Managers shall discuss such matter, and each Project Manager shall confer on such matter on behalf of his/her Party. The foregoing notwithstanding, in no event shall Project Managers be authorized to amend or modify the provisions of this Agreement.

27.2 Dispute Resolution. Any dispute arising under this Agreement shall be the

subject of good-faith negotiations between the Parties. Each Party shall designate
one or more representatives with the authority to negotiate the 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
sixty (60) 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 agreement of both
Parties to participate in such an alternative dispute resolution process. During the
pendency of any dispute, the Parties will continue to execute their obligations
under the Agreement, except for disputed portions thereof, unless otherwise
mutually agreed in writing.

27.3 Compliance with Law. Each Party shall comply, at all times, with, and procure

the compliance, at all times, by all of its subcontractors with, all applicable

federal, state, and local laws, rules, codes, regulations, and ordinances in

connection with this Agreement and performance of the Work hereunder. Such compliance shall include, among other things, compliance with all applicable wage and hour laws and regulations and all other laws and regulations dealing with or relating to the employment of persons, and the payment of contributions, premiums, and taxes required by such laws and regulations.

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27.4 Form and Address. All notices, invoices and other communications from either

Party to the other hereunder shall be in writing and shall be deemed received (i)
upon actual receipt when personally delivered, (ii) upon acknowledgment of
receipt if sent by facsimile, (iii) upon the expiration of the third (3rd) business
Day after being deposited in the United States mails, postage prepaid, certified or
registered mail, or (iv) upon the expiration of one (1) business Day after being
deposited during the regular business hours for next-day delivery and prepaid for
overnight delivery with a national overnight courier, addressed to the other Party.
Each Party may change its address by giving the other Party notice thereof in
conformity with this Section. Any payments made under this Agreement, if made
by mail, shall be deemed to have been made on the date of receipt thereof.

27.5 Exercise of Right. No failure or delay on the part of either Party in exercising

any right, power, or privilege hereunder, and no course of dealing between the Parties, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

27.6 Additional Actions and Documents. Each Party hereby agrees to take or cause

to be taken such further actions, to execute, acknowledge, deliver and file, or

cause to be executed, acknowledged, delivered and filed, such further documents and instruments, and to use its commercially reasonable efforts to obtain such consents, as may be necessary or as may be reasonably requested in order to fully effectuate the purposes, terms, and conditions of this Agreement, whether at or after the execution of this Agreement.

27.7 Headings. The descriptive headings of the several Articles, sections, and

paragraphs of this Agreement are inserted for convenience only and do not

constitute a part of this Agreement. Such headings shall not in any way define or affect the meaning, construction, or scope of any of the provisions hereof.

27.8 Incorporation of Schedules and Exhibits. The schedules, attachments and

exhibits referenced in and attached to this Agreement shall be deemed an integral
part hereof to the same extent as if written in whole herein. In the event that any
inconsistency exists between the provisions of this Agreement and any schedules,
attachments or exhibits attached hereto, the provisions of this Agreement shall
supersede the provisions of any such schedules, attachments or exhibits.

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27.9 Counterparts. This Agreement may be executed in several counterparts, each of

which shall be deemed an original, and all such counterparts together shall

constitute but one and the same instrument. This Agreement may also be

executed via counterpart facsimiles or in "PDF" format by electronic mail upon

(a) the telecopy or emailing by each Party of a signed signature page thereof to
the other Party, with, in the case of facsimile, return receipt requested and
received and (b) the Parties' agreement that they will each concurrently post a
fully executed original counterpart of this Agreement to the other Party.

27.10 Prior Agreements; Modifications. This Agreement and the schedules,

attachments, and exhibits attached hereto constitute the entire agreement between
the Parties with respect to the subject matter hereof, and supersede all previous
understandings, commitments, or representations concerning the subject matter.
Each Party acknowledges that the other Party has not made any representations
other than those that are contained herein. This Agreement may not be amended
or modified in any way, and none of its provisions may be waived, except by a

writing signed by an authorized officer of the Party against whom the amendment, modification, or waiver is sought to be enforced.

27.11 Severability. Nothing contained in this Agreement shall be construed so as to
 require the commission of any act contrary to law, and wherever there is any
 conflict between any provision of this Agreement and any law, such law shall
 prevail; provided, however, that in such event, the provisions of this Agreement
 so affected shall be curtailed and limited only to the extent necessary to permit
 compliance with the minimum legal requirement, and no other provisions of this
 Agreement shall be affected thereby and all such other provisions shall continue
 in full force and effect.

27.12 Nouns and Pronouns. Whenever the context may require, any pronouns used in
 this Agreement shall include the corresponding masculine, feminine, or neuter
 forms, and the singular forms of nouns and pronouns shall include the plural, and
 vice versa.

27.13 No Third Party Beneficiaries. Nothing in this Agreement is intended to confer
 on any person, other than the Parties, any rights or remedies under or by reason of
 this Agreement.

27.14 Validity; Required Regulatory Approvals. Each Party hereby represents that
 the provisions of this Agreement constitute valid and legally binding obligations
 of such Party and are enforceable in accordance with their terms.

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The obligations of each Party under this Agreement are expressly contingent upon

(i) each Party receiving all approvals, authorizations, consents, franchises,

Permits, and licenses from any local, state, or federal regulatory agency or other
governmental agency that may be required for such Party in connection with the
performance of such Party's obligations under or in connection with this
Agreement (the "Required Regulatory Approvals") and (ii) each Required
Regulatory Approval being granted without the imposition of any modification or
condition of the terms of this Agreement or the subject transactions, unless such
modification(s) or condition(s) are agreed to by both Parties in their respective
sole discretion. If any application is made in connection with seeking any
Required Regulatory Approval and is denied, or is granted in a form, or subject to
conditions, that either Party rejects, in its sole discretion, as unacceptable, this
Agreement shall terminate as of the date that a Party notifies the other Party of
such denial or rejection, in which event the obligations of the Parties under this
Agreement shall cease as of such date and this Agreement shall terminate, subject
to Customer's obligation to pay Company for all Company Reimbursable Costs
incurred through the effective termination date. All of the Company's actual costs
for obtaining Required Regulatory Approvals shall be included within the
meaning of the term Company Reimbursable Costs and shall be paid for by
Customer.

27.15 Notices All formal notices, demands, or communications under this Agreement
 shall be submitted in writing either by hand, registered or certified mail, or
 recognized overnight mail carrier to:

To Customer: Mr. John Canale

VP — Project Management New York Power Authority 123 Main Street

White Plains, NY 10601 (914) 681-6706

To Company: Mr. William Malee

Director, Transmission Commercial Services National Grid

40 Sylvan Road

Waltham, MA 02451 (781) 907-2422

[Signatures are on following page.]

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IN WITNESS WHEREOF, each Party has executed this Agreement by its duly authorized representative as of the Effective Date.

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Schedule A: Scope of Work

To eliminate line clearance issues with NYPA facilities, Company shall design, engineer,

procure, relocate, construct and test Company's electric delivery facilities as described in the attached Facility Listing (Schedule E) and listed below.

GROUP A — High Priority

Site Work Description Estimate

1 lower conductor, cut two pole tops $4700

2 lower conductor, cut one pole top $3500

3 lower conductor $2200

4 lower conductor $2800

5 3 pole installations to allow for lowering of conductors at $18,000

transmission crossing and adjustment of a street crossing

to maintain road clearance that is impacted when those

conductors get adjusted

7 Lower conductor $1400

8 Replace 3 poles and the associated wire etc. $122,000

9 N/A No Charge

15 Install primary dip replace 1 pole add 1 pole $85,000

360' 3ph UG

21 N/A No Charge

GROUP B \* — Medium Priority

Site Work Description Estimate

10 Site removed from Work List per Customer ---------

email of 11/7/2012

11 Bring line from rear lot to the road, install 5 $100,000

poles 7

12 Lower primary on pole replace and lower $1600

primary guy.sole-owned poles

13 Cut a portion off a pole top, lower the arms a $19,000

foot on two structures

14 replace 8' crossarms with 10' crossarm and $2300

lower primary cut top of pole

16 replace 8' crossarms with 10' crossarm and $52,000

lower primary cut top of pole

17 install 730' of Primary UG cable , 2 poles and 2 $82,000

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anchors

18 install 325' of Primary UG cable in 5" conduit, $40,000

plus 1 spare 5" conduit , 1 pole and 2 anchors

19 install 710' of Primary UG cable in 5" conduit, $73,000

plus 1 spare 5" conduit , pull box and 2 anchors.

20 install 540' of Primary UG cable, concrete $146,000

encased in 5" conduit, plus 1 spare 5" conduit , pull box, 2 poles and 2 anchors

\* Upon written notice on or before March 1, 2013, the Customer may request removal of any site(s) from the Group B work list.

NOTE: Company's specifications for electrical requirements referenced for this Agreement include: ESB-750; ESB-752; ESB-755 and ESB-756, Appendix A as such may be amended, modified and superseded from time to time. See:

[https://www.nationalgridus.com/niagaramohawk/constructionare](https://www.nationalgridus.com/niagaramohawk/constructionare/)

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Schedule B: Project Milestone Schedule
PROJECTED MILESTONE SCHEDULE

Task

1.

2.

3.

4.

5.

6.

Milestone

Execute

Agreement
Invoice and

Payment of Pre-
Payment

Start Interference Corrections — Group A\*

Complete
Interference

Corrections — Group A

Start Interference Corrections — Group B\*

Complete
Interference

Corrections — Group B

Date Responsible Party

November, 2012 Customer/Company

November, 2012 Customer/Company

October, 2012 Company

December, 2012/
 Company

January 2013

March 1, 2013 Company

December 31,
 Company

2013

\*Group A and Group B shall be as defined in Schedule A to this Agreement.

The dates above represent the Parties preliminary schedule, which is subject to adjustment, alteration, and extension in accordance with the terms of this Agreement.

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Schedule C: Customer's Responsibilities

Customer shall provide:

1. If and to the extent applicable or under the control of the Customer, complete and accurate

information regarding requirements for Services, including, without limitation, constraints, space, requirements, underground or hidden facilities and structures, and all applicable drawings and
specifications; and

2. At Sites where Customer has site control, provide access to the Site where services are to be
 performed for Company and its contractors and adequate parking for Company and contractor
 vehicles; and.

3. Other responsibilities and access deemed necessary by Company to facilitate performance of the
 Services

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Schedule D: Insurance Requirements

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

• Public Liability (Including Contractual Liability), covering all activities and operations
 to be performed by it under this Agreement, with following minimum limits:

(A) Bodily Injury - $1,000,000/$1,000,000

Property Damage - $1,000,000/$1,000,000
OR

(B) Combined Single Limit - $1,000,000
 OR

(C) Bodily Injury and Property Damage per Occurrence - $1,000,000
 General Aggregate & Product Aggregate - $2,000,000 each

• Umbrella or Excess Liability, coverage with a minimum limit of $ 4,000,000.

1. Upon request, either Party shall promptly provide the requesting Party with either evidence of

insurance or certificates of insurance evidencing the insurance coverage above. Customer shall provide such certificates or evidence of insurance to Company at the following address:

To: National Grid c/o NIAGARA MOHAWK POWER CORPORATION

Attention: Risk Management, A-4

300 Erie Boulevard West
Syracuse, NY 13202

Company shall provide such certificates or evidence of insurance to Customer at the following
address:

To: Jules Franko — Sr. Procurement Specialist

123 Main Street

White Plains, NY 10601

2. Should any of the above described policies be cancelled before the expiration date thereof, notice

will be delivered in accordance with the policy provisions.

3. If a party 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 such party fails
immediately to procure such insurance as specified herein, then the non-defaulting party has the
right but not the obligation to procure such insurance and, at its option, either bill the cost thereof to
the defaulting party or deduct the cost thereof from any sum due the defaulting party under this
Agreement.

4. To the extent requested, both Parties shall furnish to each other with copies of any accidents report(s)

sent to the a party's insurance carriers covering accidents or incidents occurring in connection with or as a result of the performance of the Work for the Project under this Agreement.

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5. Each Party shall comply with any governmental and/or site specific insurance requirements even if
 not stated herein.

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

7. Customer shall name the Company as an additional insured for all coverage's except Workers
 Compensation and Employers Liability Insurance in order to provide the Company with protection
 from liability arising out of activities of Customer relating to the Project and associated Work.

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Schedule E: Facility Listing

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Schedule F: Prompt Payment Policy

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