

FERC rendition of the electronically filed tariff records in Docket No. [include if docket no. exists]

Filing Data:

CID: C000038

Filing Title: National Grid and General Mills Operations, LLC Interconnection Agreement 337

Company Filing Identifier: 971

Type of Filing Code: 10

Associated Filing Identifier: [if applicable]

Tariff Title: NYISO Agreements

Tariff ID: 58

Payment Confirmation: N

Suspension Motion:

Tariff Record Data:

Record Content Description: Service Agreement No. 337

Tariff Record Title: NiMo and General Mills Interconnection Agreement 337

Record Version Number: 0.0.0

Option Code: A

Tariff Record ID: 162

Tariff Record Collation Value: 5050900

Tariff Record Parent Identifier: 2

Proposed Date: 2015-04-01

Priority Order: 500

Record Change Type: New

Record Content Type: 2

Associated Filing Identifier: [Source - if applicable]

Revised Service Agreement No. 337

AN

AMENDED INTERCONNECTION AGREEMENT

BETWEEN

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

AND

GENERAL MILLS OPERATIONS, LLC

EXECUTION COPY

This AMENDED INTERCONNECTION AGREEMENT (the "Agreement") is made as of April 1, 2015 (the "EFFECTIVE DATE"), by and between Niagara Mohawk Power Corporation d/b/a National Grid, a corporation organized and existing under the laws of the state of New York ("Niagara Mohawk"), and General Mills Operations, LLC, a corporation organized and existing under the laws of the State of Delaware ("Producer"). (Collectively, Producer and Niagara Mohawk may be referred to as the "Parties" or "Party's", or individually, as a "Party.")

WHEREAS, Producer currently owns a power production facility (the "Production Facility") and a manufacturing plant (the "Manufacturing Plant") located in the City of Buffalo, County of Erie, New York;

WHEREAS, Producer and Niagara Mohawk are parties to that certain Interconnection Agreement dated October 5, 2004, filed with the Federal Energy Regulatory Commission on October 15, 2004 in Docket No. ER05-57-000 (the "2004 Agreement" shall be referred to herein as the "Original Agreement");

WHEREAS, Producer and Niagara Mohawk desire to amend the Original Agreement to continue to provide for the interconnection of the Production Facility to the Electrical System, as defined below, under the terms and conditions set forth herein;

WHEREAS, Producer's ability to deliver Electricity, as defined below, to Niagara Mohawk from the Production Facility requires the Production Facility to remain interconnected to the Electrical System through the Interconnection Facility, as defined below; and

WHEREAS, Producer currently has a Unique Configuration, as defined below, since the Production Facility and Manufacturing Plant are interconnected to the Electrical System through the same Interconnection Facility.

NOW THEREFORE, in consideration of the mutual representations, covenants and agreements set forth herein, the Parties to this Agreement agree as follows:

ARTICLE I DEFINITIONS

The following terms, when used herein with initial capitalization, shall have the meanings specified in this section.

- 1.1 "Agreement" shall mean this Interconnection Agreement between Niagara Mohawk and Producer, including all exhibits hereto, as the same may be amended, supplemented, revised, altered, changed, or restated in accordance with its terms.

- 1.2 "Bulletin No. 756" means that certain internal National Grid document dated September 2014, titled "Supplement to Specifications for Electrical Installations; Parallel Generation Requirements" and designated Electric System Bulletin No. 756 and its Appendix A, as amended or superseded.
- 1.3 "Commercially Reasonable Efforts" means efforts which are designed to enable a Party, directly or indirectly, to satisfy expeditiously a condition to, or otherwise assist in the consummation of, the actions contemplated by this Agreement and which do not require the performing Party to expend any funds or assume liabilities other than expenditures and liabilities which are customary and reasonable in nature and amount in the context of the actions contemplated by this Agreement.
- 1.4 "Confidential Information" means any plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party which has not been released publicly by its authorized representatives and which has been designated as "Confidential" by the Party asserting a claim of confidentiality, whether such Confidential Information is conveyed orally, electronically, in writing, through inspection, or otherwise. Confidential Information as used herein also includes Confidential Information supplied by any Party to another Party prior to the execution of this Agreement, and such Confidential Information shall be considered in the same manner and be subject to the same treatment as the Confidential Information made available after the execution of this Agreement. Confidential Information shall also include Confidential Information observed by any Party while visiting the premises of another Party.
- 1.5 "Delivery Point" is the point at which the Interconnection Facility is connected to the Electrical System for delivery of Electricity from the Production Facility to Niagara Mohawk as indicated on Exhibit A.
- 1.6 "Electrical System" means the properties, structures, facilities, equipment, devices, and apparatus wholly or partly owned or leased by, or under contract to, or under the control of Niagara Mohawk or its Affiliates, other than the Interconnection Facility, which are necessary to interconnect the Production Facility to the transmission system, or are necessary for purposes of providing transmission and Retail Tariff services, including services under the NYISO Tariff.
- 1.7 "Electricity" shall mean electric capacity as measured in MW or kW, energy as measured in MWh or kWh, and/or ancillary services.
- 1.8 "Emergency Condition" shall mean a condition or situation which is deemed imminently likely to (i) endanger life, property, or public health; or (ii) adversely affect or impair the Transmission System, the Production Facility, or the electrical or transmission systems of others to which Niagara Mohawks electrical systems are directly or indirectly connected.

- 1.9 "FERC" shall mean the United States of America's Federal Energy Regulatory Commission or any successor organization.
- 1.10 "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 be acceptable practices, methods, or acts generally accepted in the region in which the Production Facility 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, New York State Reliability Council (defined below) criteria, rules, guidelines and standards, and NYISO (defined below) criteria, rules, guidelines and standards, where applicable, 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 the Producer, the term Good Utility Practice shall also include standards applicable to a utility generator connecting to the distribution or transmission facilities or system of another utility.
- 1.11 "Hazardous Substance(s)" shall mean those substances, materials, products or wastes which are classified as hazardous or toxic under any applicable federal, state or local law, or any regulations promulgated thereunder, effective as of the date of execution of this Agreement, and the presence of which requires remediation, removal or cleanup under this Agreement
- 1.12 "Interconnection Facility" is the jaw side of Producer's disconnect switch 262 and 272 and such facilities located between the Interconnection Point and the Delivery Point necessary to effect the transfer of Electricity produced at the Production Facility to the Electrical System, as such facilities are identified in more particularity in Exhibit A to this Agreement, and shall include any Modifications, replacements or upgrades made to the interconnection facility.
- 1.13 "Interconnection Point" shall mean the point at which the Production Facility is connected to the Interconnection Facility, as indicated on Exhibit A.
- 1.14 "Interconnection Study" shall mean the July 29, 2004 study issued by Niagara Mohawk to assess the operating status of the Production Facility and interconnection to the adjacent Electrical System. The July 29, 2004 Interconnection Study is attached hereto as Exhibit B.
- 1.15 "Manufacturing Plant" shall mean the manufacturing plant owned and operated by Producer located at 54 South Michigan Ave., Buffalo, New York as indicated on the one

line diagram included as Exhibit A.

- 1.16 "Modification" means any new, significant construction, new facilities, additions, reinforcements, alterations, improvements, appurtenances, replacements or upgrades or changes in the operations of the Production Facility or changes in the technology employed at the Production Facility after the execution of this Agreement which have a demonstrated operational or material impact to the Interconnection Facility, or Electrical System in accordance with Good Utility Practice.
- 1.17 "NERC" shall mean the North American Electric Reliability Council or any successor organization.
- 1.18 "New York Control Area" shall have the same meaning as in the Independent System Operator Agreement establishing the New York ISO (as defined below).
- 1.19 "Niagara Mohawk" shall mean Niagara Mohawk Power Corporation d/b/a National Grid and its successors and permitted assigns.
- 1.20 "Niagara Mohawk Properties" shall mean those parcels of and/or interest in real property that Niagara Mohawk uses for its electrical facilities upon which portions of the Interconnection Facility exist.
- 1.21 "NPCC" shall mean the Northeast Power Coordinating Council (a reliability council under Section 202 of the Federal Power Act) or any successor organization.
- 1.22 "NYISO OATT" shall mean the FERC-approved Open Access Transmission Tariff for the NYISO and/or the FERC-approved Service Tariff for the NYISO, as applicable, and as it may be amended from time to time.
- 1.23 "NYPSC" means the New York Public Service Commission or any successor thereto.
- 1.24 "NYSRC" shall mean the New York State Reliability Council or any successor organization.
- 1.25 "Producer" shall mean General Mills Operations, LLC and its successors and permitted assigns.
- 1.26 "Production Facility" shall mean Producer's electricity production facility with a maximum net Winter rating of 4.0 MW and with a maximum net Summer rating of 3.3 MW located in the City of Buffalo, County of Erie, New York, to be owned, operated and maintained by Producer including the substation and transformer and all other generating, transformation and interconnection equipment on Producer's side of the Interconnection Point.
- 1.27 "Retail Delivery Point" means the point at which the Manufacturing Plant receives

delivery of retail services from Niagara Mohawk in accordance with the Retail Tariff as indicated on the one-line diagram included as Exhibit A. For purposes herein, the Retail Delivery Point and Delivery Point are the same point.

- 1.28 "Retail Tariff" means Niagara Mohawk's Retail Tariff, New York Public Service Commission ("NYPSC") No. 220 — Electricity as approved by the NYPSC and all subsequent revisions, as it may be amended from time to time.
- 1.29 "Unique Configuration" means the existing relationship of the Parties, consisting of the following: (a) the Retail Delivery Point and Delivery Point are physically connected to the Electrical System at the same point; (b) Niagara Mohawk provides retail services through the same facilities as indicated on Exhibit A; and (c) the Manufacturing Plant and Production Facility are currently under common ownership (i.e., Producer); and (d) the connection of the Manufacturing Plant to Niagara Mohawk's Electrical System is governed under the Retail Tariff. The Unique Configuration shall continue as long as these factors are in place.
- 1.30 "Upgrades" shall mean the upgrades and additions to Niagara Mohawk's Transmission System and distribution facilities to be constructed and installed as identified in the Interconnection Study and pursuant to this Agreement, and identified in more particularity in Exhibit B to this Agreement.

ARTICLE II
AGREEMENT TO INTERCONNECT
DESCRIPTION OF INTERCONNECTION FACILITY

- 2.1 The Parties agree to maintain the interconnection of the Production Facility and Manufacturing Plant to the Electrical System in accordance with the Interconnection Study, Exhibit A and the terms of this Agreement.
- 2.2 The Production Facility shall include all facilities and equipment up to the Interconnection Point as indicated on Exhibit A. Producer agrees that the installation of the electrical equipment and the operation of the Production Facility must meet or exceed the standards of Good Utility Practice, all requirements of Bulletin No. 756 and the NYISO; provided, however, that in the event of a conflict between the requirements, rules and regulations of the NYISO and the requirements of Bulletin No. 756, the requirements, rules and regulations of the NYISO shall govern..
- 2.3 Producer recognizes that nothing in this Agreement or Producer's financial support of the Interconnection Facility confers upon Producer any right to transmit electricity over the Electrical System, which right may be addressed in separate agreements between the Parties.
- 2.4 Niagara Mohawk shall use Good Utility Practice to own, operate and maintain the

Interconnection Facility. Niagara Mohawk does not, however, guarantee or warrant uninterrupted availability of the Interconnection Facility or the Electrical System. Any curtailment of deliveries over the Interconnection Facility or the Electrical System shall be governed by the terms and conditions of the NYISO OATT, or any other tariffs, approved by a regulatory body having jurisdiction.

- 2.5 Niagara Mohawk, in accordance with the rates, terms and conditions of the Retail Tariff, shall provide Producer with retail service at the Retail Delivery Point, including, as applicable, the resale and/or delivery of Producer's allocations of the New York Power Authority's ("NYPA") power pursuant to applicable contracts and tariffs. NYPA is the statewide power authority chartered by the New York State legislature and owner of a significant portion of New York's generation and bulk transmission assets.
- 2.6 Without limiting its rights hereunder, Niagara Mohawk reserves the right to operate the first means of disconnect on Producer's side of the Interconnection Point. Niagara Mohawk shall exercise such right of disconnect (a) in accordance with Bulletin No. 756, (b) in the event of an Emergency Condition, (c) after giving Producer reasonable notice under the circumstances, (d) in a non-discriminatory manner, and (e) in accordance with Good Utility Practice.
- 2.7 If Producer relies on Niagara Mohawk's system protection equipment and practices for protection of the Production Facility or if Producer relies on any other of Niagara Mohawk's equipment for support of its operations, Producer agrees to release, indemnify, defend, and save harmless Niagara Mohawk, its agents and employees, against any and all claims, judgments, cost, liability, damage, injury, penalties, judgments, fines (civil or criminal), or other costs arising from any damage or loss to the Production Facility as a result of such reliance, whether the loss, damage or injury result to or be sustained by Producer or any other persons, firms or corporations.
- 2.8 This Agreement does not waive, alter or impair the rights or obligations of any party under any other agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF PARTIES

- 3.1 Producer is a Corporation duly organized and validly existing under the laws of the State of Delaware. Producer is qualified to do business under the laws of the State of New York, is in good standing under the laws of the State of New York, has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into this Agreement and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.
- 3.2 Niagara Mohawk is a corporation duly organized, validly existing and qualified to do

business under the laws of the State of New York, is in good standing under its certificate of incorporation and the laws of the State of New York, has the corporate authority to own its properties, to carry on its business as now being conducted, and to enter into this Agreement and the transactions contemplated herein and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement, and is duly authorized to execute and deliver this Agreement and consummate the transactions contemplated herein.

- 3.3 Producer and Niagara Mohawk each represent that: (a) it is not prohibited from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement; (b) upon the acceptance of the terms of this Agreement by FERC, the execution and delivery of this Agreement, the consummation of the transactions contemplated herein including the fulfillment of and compliance with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any of the terms, conditions or provisions of any law, rule or regulation, any order, judgment, writ, injunction, decree, determination, award or other instrument or legal requirement of any court or other agency of government, or any contractual limitation, corporate restriction or outstanding trust indenture, deed of trust, mortgage, loan agreement, lease, other evidence of indebtedness or any other agreement or instrument to which it is a party or by which it or any of its property is bound and will not result in a breach of or a default under any of the foregoing; and (c) unless this Agreement is materially modified by any court or appropriate regulatory authority having jurisdiction and subsequently terminated, this Agreement shall be a legal, valid and binding obligation enforceable in accordance with its terms, except as limited by any subsequent order of any court or appropriate regulatory authority having jurisdiction, or by any applicable reorganization, insolvency, liquidation, readjustment of debt, moratorium, or other similar laws affecting the enforcement of rights of creditors generally as such laws may be applied in the event of a reorganization, insolvency, liquidation, readjustment of debt or other similar proceeding of or moratorium applicable to the Party and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law.)

ARTICLE IV INTERCONNECTION STUDY

4.1 INTERCONNECTION STUDY

4.1.1 Niagara Mohawk has conducted an Interconnection Study and furnished a complete report dated July 29, 2004, attached hereto as Exhibit B, under a separate Support Services Agreement. Producer agrees to reimburse Niagara Mohawk for the costs of any and all repairs or upgrades Niagara Mohawk must make to the Interconnection Facility, as outlined in the Report. Niagara Mohawk agrees that when such repairs or upgrades of the Interconnection Facility are completed, as may be required by the Report, the Interconnection Facility will be

in general compliance with Electrical System Bulletin No. 756, as may be updated from time to time. Producer agrees to comply with the Interconnection Study.

- 4.1.2 Producer has paid all actual costs required to conduct the Interconnection Study attached hereto as Exhibit B.
- 4.1.3 Producer shall pay for any new interconnection study that, pursuant to Good Utility Practice, may be required over time to determine the necessity of Modifications to the Production Facility.

4.2 NIAGARA MOHAWK DESIGN, ENGINEERING AND CONSTRUCTION ACTIVITIES

- 4.2.1 At Producer's request and expense, Niagara Mohawk agrees to design, engineer, and construct any modifications to the Interconnection Facility and Upgrades to the extent necessary to comply with (a) Interconnection Study, (b) Good Utility Practice and (c) Niagara Mohawk's standards.
- 4.2.2 At Producer's request and expense, Niagara Mohawk agrees to procure any and all equipment necessary for Niagara Mohawk to construct any modifications to the Interconnection Facility and Upgrades in accordance with the Interconnection Study.
- 4.2.3 All design, engineering, procurement, and construction activities performed by Niagara Mohawk or a third party selected by Niagara Mohawk shall be performed in accordance with a schedule and an estimated budget mutually agreed to by the Parties in advance of the commencement of such activities. Niagara Mohawk agrees to inform Producer on the first business day of each month and at such other times as Producer reasonably requests of the status of all design, engineering, procurement, and construction activities performed by Niagara Mohawk or a third party selected by Niagara Mohawk, including, but not limited to, the following information: progress to date; a description of upcoming scheduled activities and events; the delivery status of all ordered equipment; a revised budget and cost report; and the identification of any event which Niagara Mohawk reasonably expects may delay construction of the Upgrades or the Interconnection Facility.
- 4.2.4 No design, engineering, procurement, or construction activities shall be undertaken by Niagara Mohawk prior to Producer's receipt of the Interconnection Study and until such time as Producer issues a written notice to proceed with such activities and a money deposit received by Niagara Mohawk for services to be rendered.
- 4.2.5 Producer reserves the right, upon thirty (30) days prior written notice to Niagara Mohawk, to suspend at any time all work by Niagara Mohawk associated with the

design, engineering, procurement, construction of the Upgrades or with any design, engineering, and construction activities relating to the Interconnection Facility. Producer acknowledges and agrees to reimburse Niagara Mohawk for all costs incurred by Niagara Mohawk that cannot, in the exercise of commercially reasonable business practices, be avoided, due to Producer's suspending said work in accordance with Article IX of this Agreement.

- 4.2.6 Niagara Mohawk shall, at Producer's expense, test the Interconnection Facility and Upgrades to ensure their safe and reliable operation in accordance with Good Utility Practice and will correct any situations contrary to Good Utility Practice.

4.3. ACCESS RIGHTS

- 4.3.1 Niagara Mohawk hereby grants to Producer all necessary access, and licenses, including adequate and continuing rights of access to Niagara Mohawk's property, as is necessary for Producer to construct additional facilities as may be required, to operate, maintain, replace, and remove the Production Facility and the Interconnection Facility, to be present at Niagara Mohawk meter readings, and to exercise any other of its obligations under this Agreement. Niagara Mohawk hereby agrees to execute such grants, deeds, licenses, instruments or other documents as Producer may require to enable it to record such rights of way, easements, and licenses. To the extent that Producer requires access rights to Niagara Mohawk property for other reasons, Producer and Niagara Mohawk will negotiate the terms of such additional access rights as the need arises.
- 4.3.2 Producer hereby grants to Niagara Mohawk all necessary access, and licenses, including adequate and continuing rights of access to Producer's property, as is necessary for Niagara Mohawk to construct additional facilities as may be required, to operate, maintain, replace, and remove the Interconnection Facility and to read meters in accordance with the terms of this Agreement and to exercise any other of its obligations under this Agreement. Producer hereby agrees to execute such grants, deeds, licenses, instruments or other documents as Niagara Mohawk may require to enable it to record such rights of way, easements, and licenses. To the extent that Niagara Mohawk requires access rights to Producer property for other reasons, Producer and Niagara Mohawk will negotiate the terms of such additional access rights as the need arises.

ARTICLE V OPERATION, MAINTENANCE, AND MODIFICATION OF FACILITIES

5.1 OPERATION AND MAINTENANCE OF INTERCONNECTION FACILITY

- 5.1.1 Niagara Mohawk, at its own expense, shall operate, maintain and repair (repair includes, but is not limited to, replacement of existing equipment when required

due to failure) the Interconnection Facility in accordance with Good Utility Practice.

- 5.1.2 Producer, at its own expense, will operate, maintain and repair (repair includes, but is not limited to, replacement of existing equipment when required due to failure) the Production Facility in accordance with Good Utility Practice. Producer will notify Niagara Mohawk of the schedule for scheduled outages of the Production Facility for the upcoming year in accordance with, as may be applicable, Bulletin No. 756, Good Utility Practice, NYISO practices, where applicable, and Niagara Mohawk operating instructions and, upon making any changes to such schedules thereafter, shall promptly notify Niagara Mohawk of any such changes.
- 5.1.2a Producer, at its own expense, will operate, maintain and repair (repair includes, but is not limited to, replacement of existing equipment when required due to failure) the Manufacturing Plant. Producer will notify Niagara Mohawk of the schedule for scheduled plant maintenance or similar planned occasions when the Manufacturing Plant will not require all or a substantial portion of the Retail Tariff electricity distribution service from Niagara Mohawk for the upcoming year in accordance with the Retail Tariff and Niagara Mohawk standard practices, and upon making any changes to such schedules thereafter, shall notify Niagara Mohawk of any such changes.
- 5.1.3 Producer agrees, at the expense of Producer, to confer to coordinate with Niagara Mohawk, the planning and scheduling of any outages and any changes thereto in a manner that will minimize the effect on the Electrical System, consistent with Good Utility Practice, Bulletin No. 756, the Retail Tariff, NYISO practices, where applicable and Niagara Mohawk Operating Instructions.
- 5.1.4 The Parties agree to confer regularly to coordinate the planning and scheduling of preventative and corrective maintenance in a manner that will preserve and maintain the reliability of the Electrical System and the Production Facility. The Parties shall conduct preventative maintenance and corrective maintenance activities on their Facilities at each party's own cost, as scheduled and planned, or as they become necessary, consistent with Good Utility Practice.
- 5.1.5 If Producer requests that Niagara Mohawk perform maintenance during a time period other than as scheduled by Niagara Mohawk, Niagara Mohawk will use Commercially Reasonable Efforts to meet Producer's request as long as meeting the request would not reasonably be expected, as determined by Niagara Mohawk, to have an adverse impact upon Niagara Mohawk's operations or the operations of Niagara Mohawk's customers. Notwithstanding the foregoing, should Producer request to perform maintenance that Niagara Mohawk in good faith determines may have an adverse impact on Niagara Mohawk's operations or

the operations of Niagara Mohawk's customers, and if such maintenance may be delayed until after such period, Niagara Mohawk may reject Producer's scheduling request. Producer shall reimburse Niagara Mohawk for all costs reasonably incurred by Niagara Mohawk related to satisfying Producer's request.

5.2 MODIFICATION OF THE INTERCONNECTION FACILITY

- 5.2.1 Niagara Mohawk, at its own expense, shall retain the discretion to determine whether, when, and in what manner any modifications to the Interconnection Facility are required by Good Utility Practice and, as soon as reasonably practicable, but not less than three (3) months in advance except in the cases of Emergency Conditions, shall advise Producer when it makes such a determination and whether performing the modification, or the modification itself, is expected to interrupt the flow of power over the Interconnection Facility.
- 5.2.2 If a modification to the Electrical System or Interconnection Facility is required to support the operations of Producer, Niagara Mohawk shall construct, operate, maintain and repair the modification at Niagara Mohawk's expense unless the modifications are a result of a Producer Modification which requires changes to the Electrical System or Interconnection Facility.
- 5.2.3 Producer shall give Niagara Mohawk three months advance written notice of any planned Modifications to the Production Facility.
- 5.2.3.1 Such notice shall include plans, specifications, information and operating instructions relating to the impact of planned Modifications on the Electrical System and Interconnection Facility or Niagara Mohawk's electric operations.
- 5.2.3.2 If Niagara Mohawk determines that such Modification would have a material adverse effect upon Niagara Mohawk's operations or the operations of Niagara Mohawk's customers, then Niagara Mohawk shall so notify the Producer. In the event that Producer elects to continue with such Modification, Niagara Mohawk shall be entitled to designate the earliest date upon which the Producer may begin the Modification, provided however, that Niagara Mohawk shall not designate a beginning date that is later than nine (9) months after receipt of the notice mandated by subsection 5.2.3. The Producer shall be responsible for all costs associated with such Modification, including any costs incurred by Niagara Mohawk associated with ensuring that the Electrical System and Interconnection Facility would be compatible with such Modification.

- 5.2.3.3 Notwithstanding the foregoing, should Producer propose a schedule for performing a Modification that Niagara Mohawk in good faith determines may adversely affect Niagara Mohawk's operations or the operations of Niagara Mohawk's customers, Niagara Mohawk may reject such schedule.
- 5.2.3.4 All such Modifications to the Production Facility, Electrical System or the Interconnection Facility, and any resulting effects on the Electrical System shall meet the rules and requirements of NERC, NPCC, NYSRC, the NRC, and the NYISO or their respective successors, the standards of Good Utility Practice, the Retail Tariff and the requirements of Bulletin No. 756; provided, however, that in the event of a conflict between the rules and requirements of the NYISO and the requirements of Bulletin No. 756, the rules and requirements of the NYISO shall govern.

5.3 RELOCATION. REARRANGEMENT. ABANDONMENT OR RETIREMENT.

- 5.3.1 If, during the term of this Agreement, Niagara Mohawk determines that it is required by Good Utility Practice to relocate, rearrange, abandon, or retire the Electrical System or the Interconnection Facility, Niagara Mohawk shall use good faith efforts to give Producer no less than one (1) year advance written notice and shall, to the extent consistent with Good Utility Practice, defer such action, to the extent reasonably practicable, so that Producer's operation of the Production Facility may continue with minimal interruption.
- 5.3.2 If Niagara Mohawk is required or ordered by governmental authority or the NYISO to relocate, rearrange, abandon, or retire the Electrical System or the Interconnection Facility, Niagara Mohawk shall promptly give Producer written notice of such requirement or order.
- 5.3.3 Due to the Unique Configuration, Niagara Mohawk shall be responsible for the relocation, rearrangement, abandonment, or retirement of the Electrical System or the Interconnection Facility unless due to a Modification to the Production Facility.

**ARTICLE VI
POWER DELIVERIES**

6.1 METERING

- 6.1.1 Niagara Mohawk shall, at Producer's expense, provide, own, and maintain compatible revenue quality metering equipment. Such metering equipment shall record the delivery of energy, including reactive power, in such a manner so as to measure total facility power output and consumption. Producer shall provide

suitable space within its facilities for installation of such metering equipment.

- 6.1.2 Producer, at its own expense, shall provide all necessary communication equipment and transmission mediums such as telephone lines and any necessary protection for such communication equipment and related equipment, and shall furthermore be responsible for all communication required by Niagara Mohawk, the NYPSC or the NYISO. At Producer's expense, Niagara Mohawk shall purchase, own and maintain all telemetering equipment located at the Producer's facilities. Producer shall provide, install and own Niagara Mohawk approved or specified test switches in the transducer circuits that have been approved or specified by Niagara Mohawk. Producer shall be responsible for any and all costs involved in the relocation of communication circuits and transmission mediums that may be required by Niagara Mohawk, the NYPSC, or the NYISO from time to time.
- 6.1.3 All metering equipment installed pursuant to this Agreement and associated with the Production Facility may be routinely tested by Niagara Mohawk in accordance with Good Utility Practice and applicable Niagara Mohawk, NYPSC and NYISO criteria, rules and standards.
- 6.1.4 Electricity delivered to the Delivery Point by Producer hereunder shall be measured by electric watt hour meters of a type approved by the NYPSC. These metering facilities will be installed, owned, and maintained by Niagara Mohawk and shall be sealed by Niagara Mohawk, with the seal broken only upon occasions when the meters are to be inspected, tested or adjusted and representatives of both Niagara Mohawk and Producer are present. The metering and installation costs are to be borne by Producer. The meters shall be maintained in accordance with the rules set forth in 16 NYCRR Part 92, as amended from time to time, and with Good Utility Practice.
- 6.1.5 Niagara Mohawk will guarantee the installation of any meter and its accuracy for a period of one (1) year from the date that meter is installed; provided, however, that this guarantee does not cover any incidental or consequential damages that the Producer may suffer as a result of the failure of a meter to which this guarantee applies. Any repair or replacement required during the initial year will be at the expense of Niagara Mohawk. In the event that any meter is found to be inaccurate after the initial year, Niagara Mohawk will repair or replace the same as soon as possible at the expense of Producer. Each Party shall have the right at all reasonable times, upon not giving less than ten (10) days notice to the other Party for the purpose of permitting the other Party to be present at the inspection, to inspect, and test said meters and, if said meters are found to be defective, Niagara Mohawk shall adjust, repair or replace the same at the expense of the Producer, or if within the initial year, by Niagara Mohawk. Any test or inspection requested by a Party shall be at the expense of that Party.

- 6.1.6 Producer may elect to install its own metering equipment in addition to Niagara Mohawk metering equipment. Such metering equipment shall meet the requirements of 16 NYCRR Part 92, as may be amended from time to time. Should any metering equipment installed by Niagara Mohawk fail to register during the term of this Agreement, the Parties shall use Producer's metering equipment, if installed. On any day or days on which neither Party's metering equipment is in service, the quantity of energy delivered shall be determined in such manner as the Parties agree. Niagara Mohawk's meter(s) shall be read on a schedule compatible with Niagara Mohawk's normal meter reading schedule.
- 6.1.7 In the event Producer desires access to meter information, Producer, at its own expense, shall be responsible for purchasing and installing software, hardware and/or other technology that may be required to access such meter information. The software, hardware and/or other technology installed for this purpose shall be in compliance with any applicable NYPSC and Niagara Mohawk rules, requirements, or standards.
- 6.1.8 Producer grants to the employees and agents of Niagara Mohawk the right of access to Producer's premises at all reasonable times for such purposes of the reading of meters; inspection of meters, their wiring and related equipment; and installing, operating, maintaining, disconnecting and removing of any or all of the property belonging to Niagara Mohawk. If Producer refuses such access to the meters or other Niagara Mohawk equipment, or if access is obstructed or hazardous, Niagara Mohawk shall provide notice that Producer shall have five (5) days in which to permit access, or remove any obstruction or hazard. If, after five (5) days from the receipt of the notice, Producer does not permit access or remove any obstruction or hazard, it will constitute an event of breach, and Niagara Mohawk may take any action in accordance with this Agreement or the Retail Tariff, including disconnecting the Production Facility from the Transmission System in accordance with Good Utility Practice, after providing reasonable notice. At all times that Niagara Mohawk personnel are on Producer's premises, they shall use commercially reasonable efforts to avoid interfering with operations of the Production Facility and the Manufacturing Plant.

6.2 LOSSES

If the metering equipment and the Delivery Points are not at the same location, the metering equipment shall record delivery of Electricity in a manner that accounts for losses occurring between the metering points and the Delivery Points, which shall be calculated by Niagara Mohawk utilizing the Pennsylvania Transformer, Transformer Test Report conducted on July 28, 1958. The metering point, the Delivery Points, associated equipment and distance between the metering point and the Delivery Points shall be as set forth in Schedule A. If the metering points are changed to another location, losses in accordance with this section will be recalculated. In addition, Producer will be responsible for all costs associated with the change in metering points.

6.3 REACTIVE POWER SUPPORT

Producer agrees to provide reactive capability to regulate and maintain system voltage at the Delivery Points in conformance with Bulletin No. 756, the Retail Tariff or any applicable NYISO tariff or agreement at no cost to Niagara Mohawk. Producer may seek compensation for reactive power pursuant to the terms of any applicable NYISO tariff or agreement or in any market for reactive power.

6.4 ISLANDING

With reference to Bulletin No. 756, Niagara Mohawk reserves the right to require, allow or prevent the islanding of the Production Facility during Emergency Conditions. This Agreement is not intended to impair or supersede any rights of the NYISO to allow or prevent the islanding of the Production Facility.

6.5 NYISO PENALTIES

Producer shall be solely responsible and liable for any penalties or charges imposed by the NYISO or by other regulatory bodies and payment thereof, for any products derived or failure to provide such products from the Production Facility to the NYISO, or for any failure by Producer to comply with the regulations, rules, or procedures of the NYISO or other regulatory bodies.

**ARTICLE VII
INSURANCE PROVISIONS**

7.1 Upon execution of this Agreement, each Party agrees to maintain at its own expense insurance policies issued by reputable insurance companies reasonably acceptable to the other Party which provide insurance coverage which meets or exceeds the following requirements:

7.1.1 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 & the Jones Act.

7.1.2 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

- 7.1.3 Umbrella or Excess Liability, coverage with a minimum limit of \$ 4,000,000.
- 7.2 Each Party may elect to self-insure any and/or all of the above insurance requirements. In addition, each Party shall include the other Party as an additional insured for all coverage's except Workers Compensation and Employers Liability Insurance in order to provide the other Party protection from liability arising out of activities of the insured party relating to the Interconnection Facility, the Parties side of the Interconnection Point, and/or the Upgrades as the case may be.
- 7.3 In the event either Party uses subcontractors in connection with this Agreement, that Party shall require all subcontractors to provide the same insurance coverage's set forth in paragraphs 7.1.1, 7.1.2 and 7.1.3.
- 7.4 Upon reasonable request by either Party, the other Party shall promptly provide the requesting Party with either evidence of insurance or certificates of insurance evidencing the insurance coverage required under paragraphs 7.1.1, 7.1.2, 7.1.3 and 7.2. The Parties shall provide such certificates or evidence of insurance to each other at the following address:

To: Niagara Mohawk Power Corporation d/b/a National Grid
Attention: Risk & Insurance, Bldg. A-4
300 Erie Boulevard West
Syracuse, NY 13202

To: General Mills Operations, LLC
Attention: John Weddle — Risk Management
Number One General Mills Boulevard
Minneapolis, Minnesota 55426

Both Parties shall provide the other with at least thirty (30) days prior written notice in the event of any cancellation or diminution of coverage.

- 7.5 If either 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 either Party fails immediately to procure such insurance as specified herein (the "Uninsured Party"), then the other Party has the right to procure such insurance and, at its option, either bill the cost thereof to the Uninsured Party or deduct the cost thereof from any sum due the Uninsured Party under this Agreement.
- 7.6 To the extent requested, each Party shall furnish to the other Party copies of any accidents

report(s) sent to each 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.

- 7.7 Each Party shall comply with any governmental and/or site specific insurance requirements even if not stated herein.
- 7.8 By the date that such coverage is required, each Party represents that it will have full policy limits available and shall notify the other Party in writing when coverage's required herein have been reduced as a result of claim payments, expenses, or both.
- 7.9 Nothing contained in these insurance requirements is to be construed as (A) limiting the extent, if any, to which either Party is responsible for payment of damages, or (B) limiting, diminishing, or waiving the obligation of either Party to indemnify, defend and save harmless the other Party in accordance with this Agreement.

ARTICLE VIII COMPLIANCE WITH LAWS

- 8.1 Niagara Mohawk and Producer each agree to comply in all material respects with all applicable federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals, certificates, and requirements thereunder in connection with all its activities performed pursuant to this Agreement, including, but not limited to all design, environmental, regulatory, engineering, construction, and property acquisition activities.
- 8.2 If either Party observes that any requirement specified in this Agreement is at variance with any governing laws, ordinances, rules, regulations, permits, licenses, approvals, certificates and requirements thereunder, such Party shall promptly notify the other in writing before incurring any further liability, expense or obligation. Niagara Mohawk and Producer shall in good faith attempt to reform this Agreement to comply with the aforementioned laws, ordinances, rules, regulations, permits, approvals, or certificates. 32If Niagara Mohawk and Producer are unable to do so, either Party may terminate this Agreement upon not less than sixty (60) days prior written notice to the other Party.
- 8.3 Environmental Releases. Each Party shall notify the other first verbally, and then in writing, of the Release of Hazardous Substances as soon as possible but not later than twenty-four (24) hours after the incident, and shall promptly furnish to the other Party copies of any reports filed with any governmental agencies addressing such events. If Hazardous Substances are released or reasonably believed to have been released onto the other Party's property, the Party releasing or reasonably believed to have released such hazardous substances, at its own expense, shall conduct, or cause to be conducted, sampling, soil testing, and any other methods of investigation which would disclose the presence and extent of contamination by any Hazardous Substance which has been released onto the other Party's property and shall notify the other Party in writing as soon as reasonably practicable after learning of the presence of any Hazardous Substance upon the other Party's property. Each Party shall notify the other Party immediately of any type of remediation activities. Each Party shall provide the other Party thirty (30) days

written notice prior to conducting any asbestos or lead abatement activities, and shall promptly furnish to the other Party (1) copies of any reports filed with any governmental or regulatory agencies pertaining to such abatement activities, (ii) copies of applications for permits to conduct abatement activities, and (iii) copies of all permits authorizing abatement activities. Each Party agrees to indemnify, defend, and save harmless the other Party, its agents and employees, from and against any loss, damage, liability (civil or criminal), cost, suit, charge (including reasonable attorneys' fees), expense, or cause of action, for the removal or management of any Hazardous Substance and/or relating to any damages to any person or property resulting from presence of such Hazardous Substance. Except as required to comply with the terms of this Agreement, Niagara Mohawk shall not bring or store Hazardous Substances on the sites of the Interconnection Facility, the Production Facility or the Manufacturing Plant.

- 8.4 Each Party shall promptly provide to the other Party, all relevant information, documents, or data regarding the Production Facility and Electrical System which may reasonably be expected to pertain to the safety, security or reliability of the Production Facility and Electrical System.

ARTICLE IX COST PAYMENTS

- 9.1 Niagara Mohawk shall invoice Producer at the start of each calendar quarter in an amount equal to Niagara Mohawk's actual costs and expenses for which Niagara Mohawk is to be reimbursed under this Agreement.
- 9.2 The Producer shall pay Niagara Mohawk within thirty (30) calendar days of receipt of an invoice for all costs reasonably incurred by Niagara Mohawk under this Agreement.
- 9.2.1 Consistent with applicable Niagara Mohawk Retail Tariff requirements, the Producer shall be responsible for all actual costs that Niagara Mohawk reasonably incurs, including, but not limited to, capital costs, labor (direct and distributable); labor fringe benefits and payroll taxes; invoices for material, contractors, consultants, etc.; employee expenses; storeroom material and handling; any and all costs and expenses resulting from damage to Niagara Mohawk property not otherwise covered by insurance; sales and/or use taxes on invoices and material; transportation; allowance for funds used during construction ("AFUDC"); administrative and general expense (A&G) at the current rate applied to the total of all costs; and state, county, local sales and use taxes applied to the total of all costs and administrative and general and expenses associated with the acquisition, ownership, operation, repair, A&G, inspection, design review, engineering, surveying, project management and coordination, testing of electrical equipment and installation of energy management system remote terminal units and revenue meters, construction, construction monitoring, financing, maintenance, environmental and regulatory permitting and licensing of, taxes and transfer of title of any new facilities and Modifications.

- 9.2.2 Producer shall be responsible for any and all federal, state, local, and foreign taxes levied or assessed upon Niagara Mohawk for payments made to Niagara Mohawk by Producer for services provided under this Agreement including, but not limited to, the following (to the extent applicable): transfer tax, property tax, federal income tax, and New York State taxes, including New York income or gross receipts, sales and use taxes; provided, however, that Niagara Mohawk shall pay any applicable interest or penalty incurred as a result of Niagara Mohawk's delay in paying such taxes or seeking reimbursement from Producer. If any form of tax, other than income or excess profits tax, under any present or future federal, state or other law different from or in addition to the taxes for which participation in or payment by Producer is provided herein or elsewhere in this Agreement, is required to be paid, levied or assessed against or incurred by Niagara Mohawk with respect to any property, property right, commodity, or service involved in, resulting from or accruing from Niagara Mohawk's performance under this Agreement, which such different or additional tax would not be required to be paid by Niagara Mohawk in the absence of this Agreement and, with respect to such different or additional tax, no obligation of Producer to participate or pay would have attached under the provisions of this Agreement elsewhere than in this subsection, then in such event Producer shall fully reimburse Niagara Mohawk for the full amount of such different or additional tax paid by Niagara Mohawk.
- 9.2.2.1 If Niagara Mohawk receives a refund from the taxing authorities of any amounts paid by Producer, Niagara Mohawk shall refund to Producer such amount refunded Niagara Mohawk (net of expenses related to obtaining the refund) within thirty (30) days of receiving such refund.
- 9.2.2.2 Notwithstanding the foregoing, Producer, at its own expense, shall have the right to require Niagara Mohawk to seek a Private Letter Ruling from the Internal Revenue Service on whether any of the sums paid to Niagara Mohawk by Producer under the terms of this Agreement for the construction of any facilities required hereunder are subject to U.S. federal taxation. To the extent that the Private Letter Ruling concludes that any such sums are taxable to Niagara Mohawk, Producer shall reimburse Niagara Mohawk for all such taxes consequently imposed upon Niagara Mohawk in accordance with the terms of this Agreement Producer shall reimburse Niagara Mohawk for all costs, including but not limited to legal fees, associated with seeking the Private Letter Ruling.
- 9.2.2.3 Increased income tax to Niagara Mohawk arising from Producer's payment or reimbursement of tax under the preceding provisions will be addressed in the following manner. Any net actual U.S. federal income tax or New York State tax (collectively, for this subsection 9.2.5 "Tax"), if any, arising out of any payment or reimbursement of any tax by Producer

under this Article shall be reimbursed to Niagara Mohawk. The amount reimbursed to Niagara Mohawk under this subsection shall consist of (1) the Tax arising under this subsection (the "First Amount"); plus (2) the net actual Tax imposed on the First Amount (the "Second Amount"); plus (3) the net actual Tax imposed on the Second Amount (the "Third Amount"); and plus (4) the net actual Tax imposed on the Third Amount and on each succeeding amount until the final amount is less than one dollar.

- 9.3 Niagara Mohawk agrees to cooperate with Producer, if requested by Producer, in attempting to minimize Niagara Mohawk's costs under this Article, provided Producer reimburses Niagara Mohawk for all costs incurred by Niagara Mohawk in connection with such cooperation, including reasonable attorneys' fees and expenses, and provided further that Producer shall indemnify, defend, and save harmless Niagara Mohawk, its agents and employees, against any and all penalties, judgments, fines (civil or criminal), or other costs that may be imposed by any governmental authority as a result hereof, but only to the extent that such penalties, judgments, fines, or other costs are not attributable to Niagara Mohawk's respective gross negligence or intentional misconduct.
- 9.4 Niagara Mohawk shall include, with each invoice, documentation supporting the costs, expenses, and/or taxes incurred by Niagara Mohawk in the previous quarter, or to be incurred in the next quarter, as provided for in 9.2 Niagara Mohawk will provide such documentation from its standard accounting methods. Within thirty (30) days from date of the invoice, Producer shall pay the invoice and/or notify Niagara Mohawk that Producer disputes, in whole or in part, any of the costs, expenses, and/or taxes reflected in the invoice and shall specify with particularity the reasons for such dispute. If Producer disputes any invoice or portion thereof, Producer shall immediately place into an independent escrow account an amount equal to the portion of the invoice it disputes. Such amount shall remain in escrow until the dispute between the Parties is resolved in accordance with Article 30C of this Agreement. If any portion of any invoice Producer has not disputed remains unpaid thirty (30) days from the invoice date, Niagara Mohawk shall apply to the unpaid balance, and Producer shall pay, a finance charge at the rate of one and one-half percent (1.5%) per month, but in no event more than the maximum allowed by law.

ARTICLE X NOTICES

- 10.1 All notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by certified or registered first class mail (return receipt requested, postage prepaid), facsimile transmission, or overnight express mail or courier service addressed as follows:

To Producer:

Attention: Adam Snyder
Energy Manager
General Mills Operations, LLC
54 South Michigan Ave.
Buffalo, NY 14203
Tel: (716) 857-3618
Fax: (716) 857-7139

To Niagara Mohawk:

Director-Transmission
Commercial Services
Niagara Power Corporation
d/b/a/ National Grid
300 Erie Boulevard West
Syracuse, NY 13202
Tel: (315) 428-3159
Fax: (315) 428-5114

10.1.1 All notices required for billing purposes under this Agreement shall be in writing and shall be delivered to the following address:

To Producer:

Attention: Lisa DuBois
Financial Analyst
General Mills Operations, LLC
54 South Michigan Ave.
Buffalo, NY 14203
Tel: (716) 857-3525
Fax: (716) 857-3503

To Niagara Mohawk:

Director,- Transmission
Commercial Services
Niagara Power Corporation
d/b/a/ National Grid
300 Erie Boulevard West
Syracuse, NY 13202
Tel: (315) 428-3159
Fax: (315) 428-5114

10.1.2 If given by electronic transmission (including telex, facsimile or telecopy), notice shall be deemed given on the date received and shall be confirmed by a written copy sent by first class mail. If sent in writing by certified mail, notice shall be deemed given on the second business day following deposit in the United States mails, properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery.

10.2 Either Party may change its address for notices by notice to the other in the manner provided above.

10.3 Notwithstanding paragraph 10.1, any notice hereunder, with respect to an Emergency Condition or other occurrence requiring prompt attention, shall be communicated in an expedited manner and may be made by telephone provided that such notice is confirmed in writing promptly thereafter.

- 10.4 The representatives noted in paragraph 10.1, or their designees, shall be authorized to act on behalf of the Parties, and their instructions, requests, and decisions will be binding upon the Parties as to all matters pertaining to this Agreement and the performance of the Parties hereunder. Only these representatives shall have the authority to commit funds or make binding obligations on behalf of the Parties. The Parties shall be permitted to change their respective representatives by providing notice to the other party of the change of representative.

ARTICLE XI TERM AND TERMINATION

- 11.1 This Agreement shall become effective as of the EFFECTIVE DATE, subject to its approval or acceptance for filing by the FERC, and shall continue in effect through September 30, 2017, unless a change in the Unique Configuration occurs. If a change in the Unique Configuration occurs, this Agreement will terminate immediately.
- 11.2 This Agreement shall not merge with or be terminated or superseded by any future agreement between the Parties that does not specifically so provide.
- 11.3 In the event either Niagara Mohawk or Producer abandons its work or facilities under this Agreement; becomes insolvent; or assigns or sublets this Agreement in a manner inconsistent with this Agreement, or is violating any of the material conditions, terms, obligations, or covenants of this Agreement, or is not performing this Agreement in good faith, the other Party may terminate this Agreement by providing written notice. Before instituting proceedings before FERC to terminate the Agreement, either Party must give written notice to the other Party of the reasons for termination. If, within a period of thirty (30) days of receiving such notice, Producer or Niagara Mohawk cures the default or breach cited by the other in such written notice, to the reasonable satisfaction of the Party that provided such notice, and shall have complied with the provisions of this Agreement, such notice shall become null and void and of no effect. Otherwise, such notice shall remain in effect and, except to the extent expressly provided for herein, the obligations of the Parties under this Agreement shall terminate thirty (30) days after such notice was provided.
- 11.4 In the event of a billing dispute between Niagara Mohawk and Producer arising hereunder, Niagara Mohawk will not apply to remove the Interconnection Facility or any part of the Electrical System from service or to terminate service thereon as long as Producer: (i) continues to make all payments and (ii) adheres to the dispute resolution procedures set forth in Article XX of this Agreement and pays into an independent escrow account the portion of any invoice in dispute, pending resolution of such dispute. If Producer fails to meet these two requirements, then a default shall be deemed to exist, to which the procedures set forth in this Article XI for the removal of the Interconnection Facility from service shall apply. Billing disputes arising from retail service to Producer shall be governed by the Retail Tariff or applicable contracts.

- 11.5 Termination of this Agreement shall not relieve Producer or Niagara Mohawk of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and Producer or Niagara Mohawk may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. The rights specified herein are not exclusive and shall be in addition to all other remedies available to either Party, either at law or in equity, for default or breach of any provision of this Agreement; provided, however, that in no event shall Niagara Mohawk or Producer be liable for any incidental, special, indirect, exemplary or consequential costs, expenses, or damages sustained by the other, as provided for in Article XXI hereto.
- 11.6 If a Party provides to the other written notice of termination pursuant to paragraph 11.3 and, in accordance therewith, such notice remains in effect thirty (30) days after such notice was provided (thereby terminating the obligations of the Parties under this Agreement), the Party that received such notice shall be liable to the other for all costs, expenses, liabilities and obligations, including reasonable attorneys' fees, incurred by the other Party resulting from or relating to the termination of this Agreement.
- 11.7 In the event of termination of this Agreement, Niagara Mohawk, at its sole option may physically disconnect the Production Facility; provided, however, that Niagara Mohawk shall leave the retail infrastructure which serves the Manufacturing Plant in place and operational. To the extent necessary, Producer shall provide Niagara Mohawk access to the Production Facility and cooperate with Niagara Mohawk to disconnect the Production Facility. Continued service to the Manufacturing Plant shall be governed by the Retail Tariff or applicable contracts.

ARTICLE XII FORCE MAJEURE

- 12.1 Neither Party shall be considered to be in default or breach hereunder, and shall be excused from performance hereunder, if and to the extent that it shall be delayed in or prevented from performing or carrying out any provisions of this Agreement by reason of flood, lightning strikes, earthquake, fire, epidemic, war, invasion, riot, civil disturbance, sabotage, explosion, insurrection, military or usurped power, strikes, stoppage of labor, labor dispute, failure of contractors or supplies of material, action of any court or governmental authority, or any civil or military authority de facto or de jure, change in law, act of God or the public enemy, or any other event or cause beyond such Party's control, including, without limitation, disconnection or limited operation of Niagara Mohawk's electric system, unscheduled repairs or maintenance, fuel or energy shortages, or equipment breakdown resulting even with Good Utility Practice which are beyond such Party's reasonable control; provided, however, that neither Party may claim force majeure for any delay or failure to perform or carry out any provision of this Agreement to the extent that such Party has been negligent or engaged in intentional misconduct and such negligence or misconduct contributed to that Party's delay or failure to perform or carry out its duties and obligations under this Agreement.

- 12.2 The Party claiming force majeure shall give notice to the other Party of the occurrence of force majeure no later than ten (10) business days after such occurrence and shall use due diligence to resume performance or the provision of service hereunder as soon as practicable. Performance under this Agreement is excused only for the duration of the force majeure event.

ARTICLE XIII INDEMNIFICATION

- 13.1 To the fullest extent allowed by law and to the extent not otherwise articulated in this Agreement, each Party shall indemnify, defend, and save harmless the other Party, its agents and employees, from and against any loss, damage, liability, cost, suit, charge, expense, or cause of action, whether unconditionally certain or otherwise, as they may arise after the Effective Date of this Agreement or arise at anytime thereafter, (including but not limited to fees and disbursements of counsel incurred by a Party in any action or proceeding between Producer and Niagara Mohawk or between a Party and any third party or otherwise) arising out of any damage or injury to its property or property of third parties (including real property, personal property and environmental damages), persons, (including injuries resulting in death), caused by or arising out of or in any way connected with the acts or omissions of the other Party in the performance of its obligations under this Agreement, or the work performed by the other Party hereunder, or any equipment, property or facilities used by the other Party, its agents, employees, contractors, and suppliers; provided however, each Party shall be liable for all claims of the Party's own employees arising out of any provision of the Workers' Compensation Law. Except as provided in section 13.3 regarding comparative negligence, neither Party shall be required to indemnify the other Party for a Party's own negligence or willful misconduct.
- 13.2 Niagara Mohawk and Producer each agree to indemnify, defend, and save each other and their agents and employees harmless from and against any loss, damage, liability (civil or criminal), cost, suit, charge, expense (including reasonable attorneys' fees) or cause of action arising from violations by the other Party of said laws, ordinances, rules, regulations, permits, licenses, approvals, certificates and requirements thereunder. Niagara Mohawk and Producer each agree to bear fully all civil and criminal penalties that may arise from its own violations or from its failure to comply with the aforementioned laws and requirements, whether such penalties are assessed against Producer or Niagara Mohawk. The provisions of this paragraph shall survive termination of this Agreement.
- 13.3 In the event that the claims, damages, losses, judgments, or settlements are the result of the negligence of both Parties, each Party shall be liable to the extent or degree of their respective negligence, as determined by mutual agreement of both Parties, or in the absence thereof, as determined by the adjudication of comparative negligence.

- 13.4 The indemnifying Party shall take prompt action to defend and indemnify the other Party against claims, actual or threatened, but in no event later than the service of notice, summons, complaint, petition to other service of process against the indemnified Party alleging damage, injury, liability, or expense attributed in any way to the Agreement, the work or acts, fault, negligence, equipment, materials, properties, facilities, personnel, or property of the indemnifying Party, its agents, employees, contractors or suppliers. The indemnifying Party shall defend any such claim or threatened claim, including as applicable, engagement of legal counsel, to respond to, defend, settle, or compromise any claim or threatened claim.
- 13.5 Furthermore, the indemnifying Party understands and agrees it is responsible for any and all costs and expenses incurred by the indemnified Party to enforce this indemnification provision.
- 13.6 The obligations set forth in this Article shall survive the later of the completion of the work, termination or expiration of the Agreement.

**ARTICLE XIV
RELATIONSHIP OF THE PARTIES**

- 14.1 Nothing contained in this Agreement shall be construed or deemed to cause, create, constitute, give effect to, or otherwise recognize Producer and Niagara Mohawk to be partners, joint venturers, employer and employee, principal and agent, or any other business association, with respect to any matter.
- 14.2 Unless otherwise agreed to in writing signed by both Parties, neither Party shall have any authority to create or assume in the other Party's name or on its behalf any obligation, express or implied, or to act or purport to act as the other Party's agent or legal empowered representative for any purpose whatsoever.
- 14.3 Neither Party shall be liable to any third party in any way for any engagement, obligation, commitment, contract, representation or for any negligent act or omission of the other Party, except as expressly provided for herein.
- 14.4 The rights and obligations of the Parties shall be limited to those expressly set forth herein.

**ARTICLE XV
THIRD PARTY BENEFICIARY/ASSIGNMENT**

- 15.1 No person or party shall have any rights or interests, direct or indirect, in this Agreement or the services or facilities to be provided hereunder, or both, except the Parties, their successors, and authorized assigns.
- 15.2 The Parties specifically disclaim any intent to create any rights in any person or party as a

third-party beneficiary to this Agreement

- 15.3 Except as provided below, neither Party may assign this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other Party, which such consent shall not be unreasonably withheld.
- 15.3.1 Producer may, with only prior written notice to Niagara Mohawk, assign, transfer, pledge, or otherwise dispose of its rights and interests under this Agreement: (i) to any lender or financial institution in connection with the financing or refinancing of any changes to the Interconnection Facility made at Producer's request, the, Production Facility or property acquisition therefore; and (ii) to any parent or to any wholly-owned subsidiary or affiliate of Producer or its parent.
- 15.3.2 Niagara Mohawk may, upon prior written notice to Producer, assign, transfer, pledge, or otherwise dispose of Niagara Mohawk's rights and interests under this Agreement to any lender or financial institution in connection with the financing or refinancing of the Transmission System or property acquisition therefor.
- 15.3.3 Any company or entity which succeeds by purchase, merger or consolidation of the properties and assets, substantially or entirely, of Niagara Mohawk shall be entitled to the rights and shall be subject to the obligations of Niagara Mohawk under this Agreement.
- 15.4 Each Party agrees to reimburse the other Party for any costs and expenses (including reasonable attorneys' fees) incurred in connection with the other Party's review, execution and delivery of instruments, agreements or documents necessary in connection with the assigning Party's assignment, transfer, sale or other disposition of this Agreement.
- 15.5 Any assignment in violation of Article XV shall be considered null and void from its inception and Niagara Mohawk reserves the right to disconnect the Production Facility from the Interconnection Facility.
- 15.6 Any authorized assignment shall not relieve the assigning Party of the responsibility of full compliance with the requirements of this Agreement, unless the other Party consents and the assignee agrees in writing to be bound by all of the obligations and duties of the assigning Party provided for in this Agreement and has provided written assurances to the other Party of continued performance and protection against liability upon assignment.
- 15.7 Assignment contrary to the provisions of this Agreement shall make the assigning Party the indemnitor of the other Party and its successors against any liabilities and costs, including attorneys' fees as to which the assigning Party's transferee fails to indemnify, defend, and hold harmless the other Party, its agents, employees and its successors, from and against any loss, damage, liability, cost, suit, charge, expense (including reasonable attorneys' fees) or cause of action, incurred by the other Party as a result of said

assignment or as a result of any dispute between the assigning Party and its transferees, or between any subsequent transferees, that arises from or relates to any assignment by the assigning Party.

- 15.8 This Agreement shall bind and inure to the benefit of the Parties to this Agreement, their successors and permitted assigns.

ARTICLE XVI APPROVAL

- 16.1 Niagara Mohawk shall file this Agreement with the appropriate regulatory authorities. If any such regulatory body materially modifies the terms and conditions of this Agreement and such modification(s) materially affect the benefits flowing to one or both of the Parties, the Parties agree to attempt in good faith to negotiate an amendment or amendments to this Agreement or take other appropriate action(s) so as to put each Party in effectively the same position in which the Parties would have been had such modification not been made. In the event that, within sixty (60) days or some other time period mutually agreed upon by the Parties after such modification has been made, the Parties are unable to reach agreement as to what, if any, amendments are necessary and fail to take other appropriate action to put each Party in effectively the same position in which the Parties would have been had such modification not been made, then either Party shall have the right to unilaterally terminate this Agreement.

ARTICLE XVII WAIVER

- 17.1 No provision of this Agreement may be waived except by mutual agreement of the Parties as expressed in writing and signed by both Parties.
- 17.2 Any waiver that is not in writing and signed by both Parties shall be null and void from its inception.
- 17.3 No express waiver in any specific instance as provided in a required writing shall be construed as a waiver of future instances unless specifically so provided in the required writing.
- 17.4 No express waiver of any specific default shall be deemed a waiver of any other default whether or not similar to the default waived, or a continuing waiver of any other right or default by a Party.
- 17.5 The failure of either Party to insist in any one or more instances upon the strict performance of any of the provisions of this Agreement, or to exercise any right herein, shall not be construed as a waiver or relinquishment for the future of such strict performance of such provision or the exercise of such right.

**ARTICLE XVIII
AMENDMENT AND MODIFICATION**

- 18.1 This Agreement may be amended or modified only if the amendment or modification is in writing and executed by both Parties. Any amendment or modification that is not in writing and signed by both Parties shall be null and void from its inception.
- 18.2 No express amendment or modification in any specific instance as provided herein shall be construed as an amendment or modification of future instances, unless specifically so provided in the required writing.
- 18.3 Nothing in this Agreement shall be construed as affecting in any way the right of either Party to unilaterally make application to FERC (or any successor agency) for a change in rates, terms and conditions, charges, classifications of service, rule or regulation under Section 205, of the Federal Power Act ("FPA") and pursuant to FERC's rules and regulations promulgated thereunder provided the other Party retains all rights to object to such filing.

**ARTICLE XIX
GOVERNING LAW**

- 19.1 This Agreement and the rights and obligations of the Parties to this Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws principles thereof.
- 19.2 Producer and Niagara Mohawk agree to submit to the jurisdiction of the courts in the State of New York for the purposes of interpretation and enforcement of this Agreement.
- 19.3 Producer and Niagara Mohawk waive personal service by manual delivery and agree that service of process on Producer or Niagara Mohawk in any action concerning or arising out of this Agreement may be made by registered or certified mail, return receipt requested, delivered to Producer or Niagara Mohawk at the addresses set forth in Article X of this Agreement.

**ARTICLE XX
DISPUTE RESOLUTION**

- 20.1 Should a claim or dispute among the Parties arise under this Agreement, the Parties shall continue, in good faith, to perform their respective obligations hereunder. Notice of any claim or dispute that any Party may have against another Party, arising out of the

Agreement shall be submitted in writing to the other Parties in a manner that clearly identifies the nature of the claim or dispute and requests that the Parties engage in negotiations to resolve the claim or dispute.

- 20.2 Upon receipt of the notice of claim or dispute under section 20.1, the Parties shall use Commercially Reasonable Efforts to resolve any such dispute without resorting to judicial resolution, through good faith negotiations between representatives with authority to resolve or settle the claim or dispute. The Parties agree to keep confidential any documents or materials exchanged and/or confidential information revealed in furtherance of resolving or settling the claim or dispute under Article XX of this Agreement and that such documents, materials, or information shall be considered confidential settlement information and that, pursuant to Rule 408 of the Federal Rules of Evidence and parallel doctrines of state law, shall not be admissible as evidence in any subsequent judicial or regulatory proceeding.
- 20.3 If the dispute remains unresolved for more than sixty (60) days after receipt of the notice of claim or dispute under section 20.1, any Party may seek resolution of its rights and remedies under this Agreement through any available forum in accordance with Article XX.

ARTICLE XXI LIMITATION OF LIABILITY

- 21.1 Notwithstanding any other provision of this Agreement, neither Party shall be responsible to the other for incidental, indirect, exemplary, special or consequential damages (including punitive damages or loss of profits) in connection with this Agreement, except in cases of intentional misconduct, unless otherwise stated in this Agreement.
- 21.2 Third-Party Claims Against Either Party. Notwithstanding the provisions of this Article as they may apply with respect to an indemnifying Party's responsibility for claims asserted against an indemnified Party by a third-party, under no circumstances shall either Party, or its directors, officers, employees, agents and Affiliates, be liable to the other Party, its directors, officers, employees, agents or Affiliates, for third-party claims, actions or causes of action for incidental, punitive, special, exemplary, indirect, treble, multiple or consequential damages of any kind (including attorneys' fees, litigation costs, losses or damages caused by reason of the unavailability of the Production Facility, plant shutdowns or service interruptions, losses of use, profits or revenue, inventory or use charges, costs of purchased or replacement power, interest charges or costs of capital) resulting from or related to curtailments or interruptions of deliveries of Electricity over the Electrical System, including any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability.
- 21.3 Survival. The provisions of this Article shall apply regardless of fault and shall survive termination, cancellation, suspension, completion or expiration of this Agreement.

**ARTICLE XXII
SEVERABILITY**

- 22.1 If any term of this Agreement, or the interpretation or application of any term or provision to any prior circumstance, is held to be unenforceable, illegal, or invalid by any governmental agency or court of competent jurisdiction, the remainder of this Agreement, or the interpretation or application of all other terms or provisions to persons or circumstances other than those that are unenforceable, illegal, or invalid, shall not be affected thereby and each term and provision shall be valid and be enforced to the fullest extent permitted by law.

**ARTICLE XXIII
HEADINGS**

- 23.1 The headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose, or limit or be used as an aid in construing the provisions of this Agreement.

**ARTICLE XXIV
INTEGRATION/MERGER/SURVIVABILITY**

- 24.1 This Agreement sets forth the entire understanding and agreement between the Parties as to the subject matter of this Agreement and merges and supersedes all prior and contemporaneous understandings and agreements, oral or written, between the Parties with respect to the subject matter thereof.

**ARTICLE XXV
COMPLIANCE WITH GOOD UTILITY PRACTICE**

- 25.1 The Parties shall comply with Good Utility Practice.

**ARTICLE XXVI
COUNTERPARTS**

- 26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**ARTICLE XXVII
INTERPRETATION**

- 27.1 The following rules shall govern the interpretation of this Agreement, including its definitions. The terms "includes" or "including" shall not be limiting, whether or not followed by the words "without limitation." References to an article or section shall mean an article or section of this Agreement unless the context requires otherwise, and

reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented and restated through the date as of which such reference is made.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the day and year first above written.

NIAGARA MOHAWK POWER CORPORATION d/b/a NATIONAL GRID

By: _____
William L. Malee

Title: Director, Transmission Commercial Services

Date: _____

GENERAL MILLS OPERATIONS, LLC

By: _____
Allen Brown

Title: Plant Manager

Date: _____

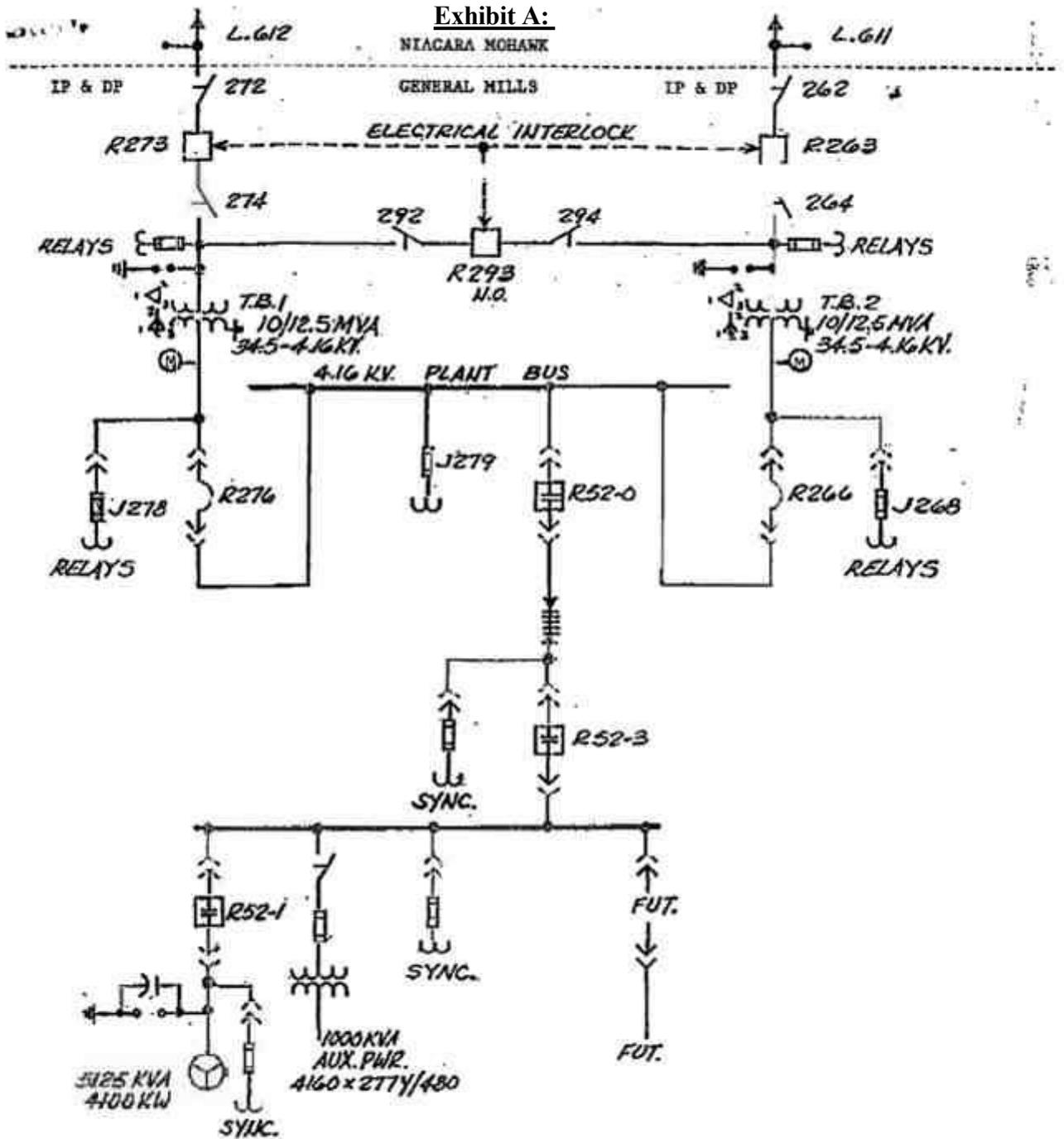


Exhibit B:



Robert R Gage, P.E.
Customer Facilities Engineer
Distribution Design and Engineering - NY

Exhibit B

July 29, 2004

Mr. Paul Gister
General Mills, Inc.
54 South Michigan Avenue
Buffalo, NY 14203

RE: Interconnection Study

Dear Mr. Gister:

On July 28, 2004, Niagara Mohawk Power Corporation conducted its site inspection of the General Mills Production Facility. We have also concluded our review of all the protection equipment maintenance records that you have provided.

Based on the results of the site inspection and review of all requested maintenance records, Niagara Mohawk has confirmed that the General Mills Production Facility is currently in compliance with Niagara Mohawk's Electric Service Bulletin # 756B -- April 2004, entitled "PARALLEL GENERATION REQUIREMENTS OVER 300kVA OR WHERE INTER-CONNECTED OVER 15kV".

Respectfully,

A handwritten signature in black ink, appearing to read "R. Gage".

Robert R. Gage, PE

