

SERVICE AGREEMENT NO. 2870
TRANSMISSION PROJECT
INTERCONNECTION AGREEMENT
AMONG THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.,
AND
NIAGARA MOHAWK POWER CORPORATION
D/B/A NATIONAL GRID,
AND
NEW YORK POWER AUTHORITY
Dated as of January 16, 2025

(Northern New York Priority Transmission Project)

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TRANSMISSION PROJECT INTERCONNECTION AGREEMENT

THIS TRANSMISSION PROJECT INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into this 16th day of January, 2025, by and among the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”), Niagara Mohawk Power Corporation d/b/a National Grid, a corporation organized and existing under the laws of the State of New York (“National Grid”), and New York Power Authority, a corporate municipal instrumentality organized and existing under the laws of the State of New York (“NYPA”). The NYISO, National Grid, or NYPA each may be referred to as a “Party” or collectively referred to as the “Parties.”

RECITALS

WHEREAS, NYISO operates the New York State Transmission System and National Grid and NYPA own certain facilities included in the New York State Transmission System;

WHEREAS, National Grid and NYPA have developed the Transmission Project, known as the Northern New York Priority Transmission Project (“NNYPTP”) with NYISO Queue Position No. 1125, that will interconnect to the New York State Transmission System, and

WHEREAS, National Grid and NYPA will each construct, own, and operate parts of the Transmission Project as described in Appendix C to this Agreement;

WHEREAS, the Transmission Project was evaluated pursuant to the NYISO’s Transmission Interconnection Procedures located in Attachment P of the ISO OATT;

WHEREAS, Transmission Interconnection Studies determined that certain Network Upgrade Facilities on National Grid’s and NYPA’s systems and other upgrades on Affected Systems are required for the Transmission Project to connect reliably to the New York Transmission System in a manner that meets the NYISO Transmission Interconnection Standard;

WHEREAS, the Parties have agreed to enter into this Agreement for the purpose of interconnecting the Transmission Project at certain Points of Interconnection between National Grid’s system and NYPA’s system, as described in Appendix C;

WHEREAS, the Parties have also agreed to enter into this Agreement for purposes of allocating the costs and responsibilities for the construction and costs of the Transmission Project and Network Upgrade Facilities;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall have the meanings specified in this Article 1. Terms used in this Agreement with initial capitalization that are not defined in this Article 1 shall have the meanings specified in Section 1 of the ISO OATT, Section 22.1 of Attachment P, Section 30.1 of Attachment X of the ISO OATT, Section 25.1.2 of Attachment S of the ISO OATT, the body of the LFIP or the body of this Agreement.

Affected System(s) shall mean an electric system other than the transmission systems owned, controlled or operated by National Grid and NYPA that may be affected by the proposed interconnection. For purposes of this Agreement, the Affected Systems are detailed in Appendix A.

Affected Transmission Owner(s) shall mean the New York public utility or authority (or its designated agent) other than National Grid and NYPA that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment P, Attachment X, Attachment Z, or Attachment S to the ISO OATT. For purposes of this Agreement, the Affected Transmission Owners are detailed in Appendix A.

Affiliate shall mean, with respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust or unincorporated organization, directly or indirectly controlling, controlled by, or under common control with, such person or entity. The term “control” shall mean the possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent or more shall create a rebuttable presumption of control.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Councils shall mean the ERO, the NPCC and the NYSRC.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Councils, and the Transmission District to which the Transmission Project is directly interconnected, as those requirements and guidelines are amended and modified and in effect from time to time; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of this Agreement.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Agreement.

Breaching Party shall mean a Party that is in Breach of this Agreement.

Business Day shall mean Monday through Friday, excluding federal holidays.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday.

Confidential Information shall mean any information that is defined as confidential by Article 22 of this Agreement.

Default shall mean the failure of a Party in Breach of this Agreement to cure such Breach in accordance with Article 17 of this Agreement.

Effective Date shall mean the date on which this Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization (“ERO”) shall mean the North American Electric Reliability Corporation or its successor organization.

Emergency shall mean any abnormal condition or situation which any Party, in its sole discretion, deems imminently likely to endanger life or property, or adversely affect or impair the New York State Transmission System, National Grid or NYPA’s electrical system, the Transmission Project, or the electrical or transmission systems of others to which they are directly or indirectly connected, which requires immediate automatic or manual action to correct. Such an abnormal system condition or situation includes, without limitation, overloading or potential overloading (exceeding thermal limits of pre- and post-contingency), excessive voltage drop, exceeding voltage limits as defined by any Party, load shedding, voltage reduction, operating reserve deficiencies, frequency deviations, over-generation or other non-normal conditions. Economic hardship of a Party will not constitute an “Emergency.”

Emergency State shall mean the condition or state that the New York State Power System is in when an abnormal condition occurs that requires automatic or immediate manual action to prevent or limit loss of the New York State Transmission System or Generators that could adversely affect the reliability of the New York State Power System.

Environmental Law shall mean Applicable Laws and Regulations relating to pollution or protection of the environment or natural resources.

Facilities Study shall mean the study conducted pursuant to Section 22.9 of Attachment P of the ISO OATT to determine a list of facilities required to reliably interconnect the Transmission Project (including Network Upgrade Facilities) as identified in the System Impact Study, the cost of those facilities, and the time required to interconnect the Transmission Project with the New York State Transmission System.

Federal Power Act shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a *et seq.* (“FPA”).

FERC shall mean the Federal Energy Regulatory Commission (“Commission”) or its successor.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric 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 delineate acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over any of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include NYISO, National Grid, NYPA, Affected System Operator, Affected Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date(s) shall mean the date(s) upon which the Transmission Project and Network Upgrade Facilities, as applicable, are initially synchronized with the New York State Transmission System and upon which Trial Operation begins, notice of which must be provided, as applicable, by National Grid and NYPA in the form of Appendix E-1 to this Agreement.

In-Service Date(s) shall mean the date(s) upon which the Transmission Project and Network Upgrade Facilities, as applicable, are energized consistent with the provisions of this Agreement and available to provide Transmission Service under the NYISO's Tariffs, notice of which shall be provided, as applicable, by National Grid and NYPA in the form of Appendix E-2 to this Agreement.

IRS shall mean the Internal Revenue Service.

Metering Equipment shall mean all metering equipment installed or to be installed at the Transmission Project pursuant to this Agreement, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Metering Points shall mean the location(s) identified by the NYISO for any Metering Equipment associated with the Transmission Project that are required for the Transmission Project to provide zonal or subzonal metering data.

Network Upgrade Facilities shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to the New York State Transmission System that are required for the proposed Transmission Project to connect reliably to the system in a manner that meets the NYISO Transmission Interconnection Standard. For purposes of this Agreement, the Network Upgrade Facilities are described in Appendix A of this Agreement.

New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the Transmission Facilities Under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with this Agreement or its performance.

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.

NYISO Transmission Interconnection Standard shall mean the reliability standard that must be met by any Transmission Project proposing to connect to the New York State Transmission System. The standard is designed to ensure reliable access by the proposed project to the New York State Transmission System.

NYSRC shall mean the New York State Reliability Council or its successor organization.

Operating Agreement shall mean the Agreement Between the New York Independent System Operator and Transmission Owners, as filed with and accepted by the Commission in Cent. Hudson Gas & Elec. Corp., et al., 88 FERC ¶ 61,138 (1999) in Docket Nos. ER97-1523, et al., and as amended or supplemented from time to time, or any successor agreement thereto.

Party or Parties shall mean NYISO, National Grid, and NYPA, or any combination of the above.

Point(s) of Change of Ownership shall mean the point(s), as set forth in Appendix C to his Agreement where, as applicable, the National Grid or NYPA portion of the Transmission Project connects to the other Party's system.

Point(s) of Interconnection shall mean the point(s), as set forth in Appendix C to this Agreement where the Transmission Project connects to the New York State Transmission System.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Services Tariff shall mean the NYISO Market Administration and Control Area Tariff, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff thereto.

System Impact Study shall mean the study conducted pursuant to Section 22.8 of Attachment P of the NYISO OATT that evaluates the impact of the proposed Transmission Project on the safety and reliability of the New York State Transmission System and, if applicable, and Affected System, to determine what Network Upgrade Facilities are needed for the proposed Transmission Project to connect reliably to the New York State Transmission System in a manner that meets the NYISO Transmission Interconnection Standard.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to (1) protect the New York State Transmission System from faults or other electrical disturbances occurring at the Transmission Project and (2) protect the Transmission Project from faults or other electrical system disturbances occurring on the New York State Transmission System or on other delivery systems or other generating systems to which the New York State Transmission System is directly connected.

Tariff shall mean the NYISO Open Access Transmission Tariff (“OATT”), as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Transmission Developer shall mean an entity that proposes to interconnect its Transmission Project to the New York State Transmission System in compliance with the NYISO Transmission Interconnection Standard. For purposes of this Agreement, the Transmission Developer is National Grid and NYPA.

Transmission Interconnection Application shall mean the Transmission Developer’s request, in the form of Appendix 1 to the Transmission Interconnection Procedures, to interconnect a Transmission Project to the New York State Transmission System.

Transmission Interconnection Procedures (“TIP”) shall mean the interconnection procedures applicable to a Transmission Interconnection Application pertaining to a Transmission Project that are included in Attachment P of the ISO OATT.

Transmission Interconnection Study shall mean any of the following studies: the Optional Feasibility Study, the System Impact Study, and the Facilities Study described in the Transmission Interconnection Procedures.

Transmission Project shall mean National Grid and NYPA's proposed transmission facility or facilities that collectively satisfy the definition of Transmission Project in Section 22.3.1 of Attachment P of the ISO OATT. For purposes of this Agreement, the Transmission Project is described in Appendix C of this Agreement.

Transmission Project Interconnection Agreement shall mean this interconnection agreement applicable to the interconnection of the Transmission Project to the New York State Transmission System.

Trial Operation shall mean the period during which National Grid and NYPA, as applicable, are engaged in on-site test operations and commissioning for their portions of the Transmission Project and Network Upgrade Facilities prior to the In-Service Date.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date.

This Agreement shall become effective upon execution by the Parties, subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The NYISO, National Grid, and NYPA shall promptly file this Agreement with FERC upon execution in accordance with Article 3.

2.2 Term of Agreement.

Subject to the provisions of Article 2.3, this Agreement shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination.

2.3.1 Written Notice.

This Agreement may be terminated by: (i) NYPA and National Grid after jointly giving the NYISO ninety (90) Calendar Days advance written notice (ii) by the NYISO at any time following notice from NYPA and National Grid indicating their intent not to proceed with the Transmission Project and Network Upgrade Facilities, or (iii) by the mutual agreement in writing of all Parties.

2.3.2 Default.

Any Party may terminate this Agreement in accordance with Article 17.

2.3.3 Compliance.

Notwithstanding Articles 2.3.1 and 2.3.2, no termination of this Agreement shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to

such termination, including the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4 Termination Costs.

2.4.1 With respect to any portion of the Transmission Project or Network Upgrade Facilities already installed or constructed pursuant to the terms of this Agreement, National Grid and NYPA shall each be responsible for all costs associated with the removal, relocation or other disposition or retirement of their respective materials, equipment, or facilities.

2.5 Disconnection.

Upon termination of this Agreement, National Grid and NYPA will take all appropriate steps to disconnect their portion of the Transmission Project from the New York State Transmission System and to perform such work as may be necessary to ensure that the New York State Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the safety and reliability criteria of their own system and NYISO. All costs required to effectuate such disconnection shall be borne by National Grid and NYPA.

2.6 Survival.

This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder; including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit National Grid and NYPA each to have access to the lands of the other pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

NYISO, National Grid, and NYPA shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any information related to studies for interconnection asserted by National Grid or NYPA to contain Confidential Information shall be treated in accordance with Article 22 of this Agreement and Attachment F to the ISO OATT. National Grid and NYPA shall reasonably cooperate with NYISO with respect to such filing and to provide any information reasonably requested by NYISO needed to comply with Applicable Laws and Regulations.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection of Transmission Facilities.

For purposes of the Transmission Project, National Grid's and NYPA's transmission systems shall interconnect at the Points of Interconnection set forth in Appendix C of this Agreement in accordance with the terms and conditions of this Agreement.

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4.2 No Transmission Delivery Service.

The execution of this Agreement does not constitute a request for, nor agreement to provide, any Transmission Service under the ISO OATT, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.3 No Other Services.

The execution of this Agreement does not constitute a request for, nor agreement to provide Energy, any Ancillary Services or Installed Capacity under the NYISO Market Administration and Control Area Services Tariff ("Services Tariff").

ARTICLE 5. TRANSMISSION PROJECT AND NETWORK UPGRADE FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Transmission Project and Network Upgrade Facilities.

National Grid and NYPA shall mutually agree to the Initial Synchronization Date and In-Service Date for the Transmission Project and Network Upgrade Facilities, and such dates shall be set forth in Appendix B hereto.

National Grid and NYPA shall each design, procure, construct, install, and own its portion of the Transmission Project as set forth in Appendix C to this Agreement and its portion of the Network Upgrade Facilities as set forth in Appendix A to this Agreement. National Grid and NYPA shall engineer, procure equipment, and/or construct their portions of the Transmission Project and Network Upgrade Facilities using Good Utility Practice and their own standards and specifications. National Grid and NYPA shall each use Reasonable Efforts to complete the portion of the Transmission Project and Network Upgrade Facilities for which it has construction responsibility by the dates set forth in Appendix B hereto. Neither National Grid nor NYPA shall be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event that National Grid or NYPA reasonably expects that it will not be able to complete the portion of the Transmission Project and Network Upgrade Facilities for which it has construction responsibility by the specified dates, National Grid or NYPA shall promptly provide written notice to the Parties and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.2 Reserved.

5.3 Reserved.

5.4 Work Progress.

National Grid and NYPA will keep each other and the NYISO advised periodically as to the progress of their respective design, procurement and construction efforts of the Transmission Project and the Network Upgrade Facilities. Any Party may, at any time, request a progress report from any Party.

5.5 Information Exchange.

As soon as reasonably practicable after the Effective Date, National Grid and NYPA shall exchange information, and provide NYISO the same information, regarding the design and compatibility of the Transmission Project and Network Upgrade Facilities and the compatibility of the Transmission Project and Network Upgrade Facilities with the New York State Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.6 Access Rights.

Upon reasonable notice and supervision by the Granting Party, and subject to any required or necessary regulatory approvals, National Grid or NYPA (“Granting Party”) shall furnish to the other of those two Parties (“Access Party”) at no cost any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress required to test (or witness testing) or to inspect the Transmission Project and Network Upgrade Facilities in accordance with this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party. The Access Party shall indemnify the Granting Party against all claims of injury or damage from third parties resulting from the exercise of the access rights provided for herein.

5.7 Permits.

NYISO, National Grid, and NYPA shall cooperate with each other in good faith in obtaining all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations.

5.8 Tax Status; Non-Jurisdictional Entities.

5.8.1 Tax Status.

Each Party shall cooperate with the other Parties to maintain the other Parties’ tax status. Nothing in this Agreement is intended to adversely affect the tax status of any Party including the status of NYISO, National Grid, or NYPA with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds. Notwithstanding any other provisions of this Agreement, NYPA shall not be required to comply with any provisions of this Agreement that would result in the loss of tax-exempt status of any of their Tax-Exempt Bonds or impair their ability to issue future tax-exempt obligations. For purposes of this provision, Tax-Exempt Bonds shall include the obligations of the NYPA, the interest on which is not included in gross income under the Internal Revenue Code.

5.8.2 Non-Jurisdictional Entities.

NYPA does not waive its exemptions, pursuant to Section 201(f) of the FPA, from Commission jurisdiction with respect to the Commission's exercise of the FPA's general ratemaking authority.

5.9 Modification.

5.9.1 General.

If, prior to the In-Service Date of the Transmission Project or Network Upgrade Facilities, National Grid, NYPA, or both Parties propose to modify the Transmission Project or Network Upgrade Facilities, the requesting Party(ies) must inform the other Parties of the proposed modification and must satisfy the requirements for such modifications in (i) Section 22.5.4 of Attachment P to the ISO OATT. The Party(ies) requesting the modification shall be responsible for the costs of any such additional modifications, including the costs of studying the materiality and impact of the modification.

Following the In-Service Date of the Transmission Project or Network Upgrade Facilities, either National Grid or NYPA may undertake modifications to its facilities covered by this Agreement. If either National Grid or NYPA plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party, and to NYISO, sufficient information regarding such modification so that the other Party and NYISO may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be Confidential Information hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the transmission of electricity at the Point(s) of Interconnection. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party and NYISO at least ninety (90) Calendar Days in advance of the commencement of construction regarding such work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

5.9.2 Standards.

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this Agreement, NYISO requirements and Good Utility Practice.

5.9.3 Modification Costs.

National Grid or NYPA, as applicable, shall not be assigned the costs of any additions, modifications, or replacements that the other Party makes to the New York State Transmission System to facilitate the interconnection of a third party to the New York State Transmission System, or to provide Transmission Service to a third party under the ISO OATT, except in accordance with the cost allocation procedures in Attachment S of the ISO OATT.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-in-Service Date Testing and Modifications.

Prior to the In-Service Date of the Transmission Project or Network Upgrade Facilities, National Grid and NYPA, as applicable, shall test the portion of the Transmission Project and Network Upgrade Facilities for which it is responsible as specified in Appendices A and C to this Agreement to ensure their safe and reliable operation. Similar testing may be required after initial operation. National Grid and NYPA shall each make any modifications to its facilities that are found to be necessary as a result of such testing. National Grid and NYPA shall bear the cost of all such testing and modifications for the Transmission Project and Network Upgrade Facilities for which it is responsible as specified in Appendix A and Appendix C. National Grid and NYPA shall coordinate with NYISO prior to performing the testing of the Transmission Project and Network Upgrade Facilities and prior to the facilities entering into service.

6.2 Post-In-Service Date Testing and Modifications.

National Grid and NYPA shall each at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice and Applicable Reliability Standards as may be necessary to ensure the continued interconnection of the Transmission Project with the New York State Transmission System in a safe and reliable manner. National Grid and NYPA shall each have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing.

National Grid and NYPA shall each notify the other Party, and the NYISO, in advance of its performance of tests of the Transmission Project and Network Upgrade Facilities. The other Party, and the NYISO, shall each have the right, at its own expense, to observe such testing.

6.4 Right to Inspect.

National Grid and NYPA shall each have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the System Protection Facilities and other protective equipment. NYISO shall have these same rights of inspection as to the facilities and equipment of National Grid and NYPA. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be treated in accordance of this Agreement and Attachment F to the ISO OATT.

ARTICLE 7. METERING

7.1 General.

National Grid and NYPA, as applicable, shall be responsible for the metering at any Metering Points identified by the NYISO in connection with the interconnection of the Transmission Project with its own system in accordance with the requirements in this Article 7. National Grid and NYPA shall, as such responsibilities are specified in Appendix A of this Agreement, procure and install any required Metering Equipment prior to any operation of the Transmission Project. National Grid and NYPA shall own, operate, test, maintain, and, if directed by the NYISO, relocate such Metering Equipment in accordance with ISO Procedures, as such requirements are amended from time to time. National Grid and NYPA shall provide the NYISO with metering data in accordance with the metering requirements set forth in this Agreement, the NYISO Tariffs, and ISO Procedures, as such requirements are amended from time to time. National Grid and NYPA shall bear all reasonable documented costs associated with the purchase and installation of its own Metering Equipment.

7.2 Standards.

National Grid and NYPA shall install, calibrate, and test revenue quality Metering Equipment including potential transformers and current transformers in accordance with applicable ANSI and PSC standards as detailed in the NYISO Control Center Communications Manual and in the NYISO Revenue Metering Requirements Manual.

7.3 Testing of Metering Equipment.

National Grid and NYPA shall inspect and test all of its Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by NYISO, National Grid and NYPA shall, at its own expense, inspect or test Metering Equipment more frequently than every two (2) years. National Grid and NYPA shall give reasonable notice of the time when any inspection or test shall take place, and NYISO may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at National Grid's or NYPA's expense in order to provide accurate metering. The Parties shall address the loss of meter data or meter data anomalies in accordance with ISO Procedures. The NYISO shall reserve the right to review all associated metering equipment installation on National Grid's or NYPA's property at any time.

7.4 Metering Data.

National Grid and NYPA shall be responsible for the costs of its own metered data to be telemetered to one or more locations designated by NYISO. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy at the Metering Points.

ARTICLE 8. COMMUNICATIONS

8.1 General Obligations.

National Grid and NYPA shall maintain satisfactory operating communications, including providing analog and digital real-time telemetry, with each other and NYISO in accordance with the requirements in this Agreement, the Operating Agreement (including Section 2.05, *Local Control Center, Metering and Telemetry*), NYISO Tariffs, and ISO Procedures, as such requirements are amended from time to time. National Grid and NYPA shall provide standard voice line, dedicated voice line and facsimile communications at its control center for the Transmission Project through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. National Grid and NYPA shall also provide the dedicated data circuit(s) necessary to provide their data to NYISO as set forth in Appendix D hereto. The data circuit(s) shall extend from the Transmission Project to the location(s) specified by NYISO. Any required maintenance of such communications equipment shall be performed by National Grid and NYPA at their own expense. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit.

Prior to the Initial Synchronization Date of the Transmission Project, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by National Grid and NYPA at their own facilities and at their own expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by NYISO through use of a dedicated point-to-point data circuit(s) as indicated in this Article 8.1. The communication protocol for the data circuit(s) shall be specified by the Parties. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by the Parties.

Each Party will promptly advise the appropriate other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by that other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation.

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Party providing such equipment and the Party receiving such equipment.

ARTICLE 9. OPERATIONS

9.1 General Obligations of the Parties.

Each Party shall comply with Applicable Laws and Regulations and Applicable Reliability Standards. Each Party shall provide to the other Parties all information that may reasonably be required by the other Parties to comply with Applicable Laws and Regulations and Applicable Reliability Standards. National Grid and NYPA shall provide the NYISO with notifications of all of its power system equipment additions or modifications in accordance with ISO Procedures, including the NYISO's Reliability Analysis Data Manual (Manual 24).

The Parties shall cause the New York State Transmission System to be operated, maintained and controlled in a safe and reliable manner in accordance with this Agreement and the NYISO Tariffs. NYISO may provide operating instructions to National Grid and NYPA consistent with this agreement and the NYISO procedures. NYISO will consider changes to its operating protocols and procedures proposed by NYPA and National Grid.

National Grid and NYPA shall, at their own expense, operate, maintain and control their portions of the Transmission Project in a safe and reliable manner and in accordance with this Agreement, the NYISO Tariffs and the ISO Procedures. National Grid and NYPA shall operate their portions of the Transmission Project in accordance with NYISO, National Grid, and NYPA requirements, as such requirements are set forth or referenced in Appendix C hereto. Appendix C will be modified to reflect changes to the requirements as they may change from time to time. Any Party may request that the appropriate other Party or Parties provide copies of the requirements set forth or referenced in Appendix C hereto.

9.2 Outages and Interruptions.

9.2.1 Outages.

9.2.1.1 Outage Authority and Coordination.

National Grid and NYPA may each, in accordance with NYISO procedures and Good Utility Practice and in coordination with the other Party, remove from service any of its Transmission Project facilities or Network Upgrade Facilities that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency or Emergency State, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both National Grid and NYPA. In all circumstances either Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.2.1.2 Outage Schedules.

National Grid or NYPA, as applicable, and pursuant to ISO Procedures, shall post scheduled outages of its respective transmission facilities on the NYISO OASIS.

9.2.1.3 Outage Restoration.

If an outage on the Transmission Project or Network Upgrade Facilities adversely affects the other Party's operations or facilities, the Party that owns the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns the facility that is out of service shall provide the other Party and NYISO, to the extent such information is known, information on the nature of the Emergency or Emergency State, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.2.2 Interruption of Service. If required by Good Utility Practice or Applicable Reliability Standards to do so, any Party may require another Party to interrupt the transmission of electricity if such transmission of electricity could adversely affect the ability of a Party to perform such activities as are necessary to safely and reliably operate and maintain the New York State Transmission System. The following provisions shall apply to any interruption permitted under this Article 9.2.2:

9.2.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.2.2.2 Reserve.

9.2.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, a Party shall notify the other Party by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

9.2.2.4 Except during the existence of an Emergency or Emergency State, when the interruption or reduction can be scheduled without advance notice, a Party shall notify the other Party in advance regarding the timing of such scheduling and further notify the Party of the expected duration. The Parties shall coordinate with each other using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Parties and the New York State Transmission System;

9.2.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Transmission Project, Network Upgrade Facilities, and the New York State Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.2.3 System Protection and Other Control Requirements.

9.2.3.1 System Protection Facilities. National Grid and NYPA shall each, at its expense, install, operate and maintain System Protection Facilities as a part of the Transmission Project. National Grid and NYPA shall each, at its own expense, install any System Protection Facilities that may be required on the New York State Transmission System as a result of the interconnection of the Transmission Project.

9.2.3.2 The protection facilities of both National Grid and NYPA shall be designed and coordinated with other systems in accordance with Good Utility Practice and Applicable Reliability Standards.

9.2.3.3 National Grid and NYPA shall each be responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.

9.2.3.4 The protective relay design of National Grid and NYPA shall each incorporate the necessary test switches to perform the tests required in Article 6 of this Agreement. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Transmission Project.

9.2.3.5 National Grid and NYPA will each test, operate and maintain System Protection Facilities in accordance with Good Utility Practice, ERO and NPCC criteria.

9.2.3.6 Prior to the In-Service Dates of the Network Upgrade Facilities and Transmission Project, National Grid and NYPA shall each perform, or its agents shall perform, a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, National Grid and NYPA shall each perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.2.4 Requirements for Protection.

In compliance with NPCC requirements and Good Utility Practice, NYPA and National Grid shall each provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Transmission Project to any short circuit occurring on the New York State Transmission System not otherwise isolated by the other Party's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the New York State Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Transmission Project and the New York State Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of National Grid and NYPA. National Grid and NYPA shall each be

responsible for protection of its portion of the Transmission Project and its other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. NYPA and National Grid shall each be solely responsible to disconnect its portion of the Transmission Project and its other equipment if conditions on the New York State Transmission System could adversely affect its portion of the Transmission Project.

9.2.5 Power Quality.

Neither the facilities of National Grid nor NYPA shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.3 Switching and Tagging Rules.

National Grid and NYPA shall each provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a nondiscriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.4 Disturbance Analysis Data Exchange.

National Grid and NYPA will cooperate with one another and the NYISO in the analysis of disturbances to either the Transmission Project or the New York State Transmission System by gathering and providing access to any information relating to any disturbance, including information from disturbance recording equipment, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

ARTICLE 10. MAINTENANCE

10.1 General Obligations.

National Grid and NYPA shall maintain their portion of Transmission Project and their transmission facilities, including their portion of the Network Upgrade Facilities, in a safe and reliable manner and in accordance with this Agreement.

10.2 Coordination.

National Grid and NYPA shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Transmission Project and Network Upgrade Facilities. National Grid and NYPA shall keep NYISO fully informed of the

preventive and corrective maintenance that is planned, and shall schedule all such maintenance in accordance with NYISO procedures.

10.3 Secondary Systems.

National Grid and NYPA shall each cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of their facilities and equipment which may reasonably be expected to impact the other Party. National Grid and NYPA shall each provide advance notice to the other Party, and to NYISO, before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.4 Operating and Maintenance Expenses.

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, National Grid and NYPA shall each be responsible for all reasonable expenses including overheads, associated with owning, operating, maintaining, repairing, and replacing their portion of the Transmission Project as specified in Appendix C. National Grid and NYPA shall also be responsible for all reasonable expenses including overheads, associated with owning, operating, maintaining, repairing, and replacing their portion of the Network Upgrade Facilities as specified in Appendix A.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Transmission Project.

National Grid and NYPA shall each, at its own expense, design, procure, construct, install, own and/or control its portion of the Transmission Project as specified in Appendix C hereto.

11.2 Network Upgrade Facilities.

National Grid and NYPA shall each, at its own expense, design, procure, construct, install, own and/or control its portion of the Network Upgrade Facilities as specified in Appendix A hereto.

11.3 Reserved.

11.4 Reserved.

ARTICLE 12. INVOICE

12.1 Reserved.

ARTICLE 13. EMERGENCIES

13.1 Obligations.

Each Party shall comply with the Emergency State procedures of NYISO, the Applicable Reliability Councils, Applicable Laws and Regulations, and any emergency procedures agreed to by the NYISO Operating Committee.

13.2 Notice.

Each Party shall notify the other Parties promptly when it becomes aware of an Emergency or Emergency State that affects, or may reasonably be expected to affect, the Transmission Project or the New York State Transmission System. To the extent information is known, the notification shall describe the Emergency or Emergency State, the extent of the damage or deficiency, the expected effect on the operation of NYPA's or National Grid's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action.

Unless, in Transmission Developer's reasonable judgment, immediate action is required, NYPA or National Grid, as applicable, shall obtain the consent of the other Party, such consent to not be unreasonably withheld, prior to performing any manual switching operations at their portion of the Transmission Project in response to an Emergency or Emergency State either declared by NYISO, NYPA, or National Grid, or otherwise regarding New York State Transmission System.

13.4 NYISO, National Grid, and NYPA Authority.

Consistent with ISO Procedures, Good Utility Practice, and this Agreement, any Party may take whatever actions with regard to the New York State Transmission System it deems necessary during an Emergency or Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the New York State Transmission System, (iii) limit or prevent damage, and (iv) expedite restoration of service. National Grid and NYPA shall use Reasonable Efforts to assist the other in such actions.

13.5 Limited Liability.

No Party shall be liable to another Party for any action it takes in responding to an Emergency or Emergency State so long as such action is made in good faith and is consistent with Good Utility Practice and the NYISO Tariffs.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements.

Each Party's obligations under this Agreement shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this Agreement shall require Developer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act or the Public Utility Holding Company Act of 2005 or the Public Utility Regulatory Policies Act of 1978, as amended.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the state of New York, without regard to its conflicts of law principles.

14.2.2 This Agreement is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General.

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by a Party to the other Parties and any instrument required or permitted to be tendered or delivered by a Party in writing to the other Parties shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F hereto.

A Party may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments.

Billings and payments shall be sent to the addresses set out in Appendix F hereto.

15.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by a Party to the other Parties and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F hereto.

15.4 Operations and Maintenance Notice.

National Grid and NYPA shall each notify the other Party, and NYISO, in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10 of this Agreement.

ARTICLE 16. FORCE MAJEURE

16.1 Economic hardship is not considered a Force Majeure event.

16.2 A Party shall not be responsible or liable, or deemed, in Default with respect to any obligation hereunder, (including obligations under Article 4 of this Agreement) , other than the obligation to pay money when due, to the extent the Party is prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Parties in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 General.

No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Parties. Upon a Breach, a non-Breaching Party shall give written notice of such to the Breaching Party. The Breaching Party shall have thirty (30) Calendar Days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the Breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

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17.2 Right to Terminate.

If a Breach is not cured as provided in this Article 17, or if a Breach is not capable of being cured within the period provided for herein, a non-Breaching Party shall thereafter have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not those Parties terminate this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which they are entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity.

Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and save harmless, as applicable, the other Parties (each an “Indemnified Party”) from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties (any and all of these a “Loss”), arising out of or resulting from (i) the Indemnified Party’s performance of its obligations under this Agreement on behalf of the Indemnifying Party, except in cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified Party was caused by the gross negligence or intentional wrongdoing of the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

18.1.1 Indemnified Party.

If a Party is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1.3, to assume the defense of such claim, such Indemnified Party may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party.

If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 18, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures.

Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Party shall notify the

Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

18.2 No Consequential Damages.

Other than the indemnity obligations set forth in Article 18.1, in no event shall any Party be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to another Party under separate agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance.

National Grid and NYPA shall each, at its own expense, procure and maintain in force throughout the period of this Agreement and until released by the other Parties, the following minimum insurance coverages, with insurance companies licensed to write insurance or approved eligible surplus lines carriers in the state of New York with a minimum A.M. Best rating of A or better for financial strength, and an A.M. Best financial size category of VIII or better:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of New York State.

18.3.2 Commercial General Liability ("CGL") Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available using Insurance Services Office, Inc. Commercial General Liability Coverage ("ISO CG") Form CG 00 01 04 13 or a form equivalent to or better than CG 00 01 04 13, with minimum limits of Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 If applicable, the Commercial General Liability and Comprehensive Automobile Liability Insurance policies should include contractual liability for work in connection with construction or demolition work on or within 50 feet of a railroad, or a separate Railroad Protective Liability Policy should be provided.

18.3.5 Excess Liability Insurance over and above the Employers' Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverages, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence and Twenty Million Dollars (\$20,000,000) aggregate. The Excess policies should contain the same extensions listed under the Primary policies.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies of National Grid and NYPA shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insureds using ISO CG Endorsements: CG 20 33 04 13, and CG 20 37 04 13 or CG 20 10 04 13 and CG 20 37 04 13 or equivalent to or better forms. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Calendar days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify

that the policies are primary and non-contributory. National Grid and NYPA shall each be responsible for its respective deductibles or retentions.

18.3.8 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for at least three (3) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by National Grid and NYPA.

18.3.9 If applicable, Pollution Liability Insurance in an amount no less than \$7,500,000 per occurrence and \$7,500,000 in the aggregate. The policy will provide coverage for claims resulting from pollution or other environmental impairment arising out of or in connection with work performed on the premises by the other party, its contractors and and/or subcontractors. Such insurance is to include coverage for, but not be limited to, cleanup, third party bodily injury and property damage and remediation and will be written on an occurrence basis. The policy shall name the Other Party Group as additional insureds, be primary and contain a waiver of subrogation.

18.3.10 The requirements contained herein as to the types and limits of all insurance to be maintained by National Grid and NYPA are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by those Parties under this Agreement.

18.3.11 Within 30 Calendar Days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) Calendar Days thereafter, National Grid and NYPA shall provide certificate of insurance for all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

18.3.12 Notwithstanding the foregoing, National Grid and NYPA may each self-insure to meet the minimum insurance requirements of Articles 18.3.1 through 18.3.9 to the extent it maintains a self-insurance program; provided that, such Party's senior debt is rated at investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.12, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Articles 18.3.1 through 18.3.9 and provide evidence of such coverages. For any period of time that a Party's senior debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's,

such Party shall comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.9.

18.3.13 National Grid and NYPA agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

18.3.14 Subcontractors of each party must maintain the same insurance requirements stated under Articles 18.3.1 through 18.3.9 and comply with the Additional Insured requirements herein. In addition, their policies must state that they are primary and non-contributory and contain a waiver of subrogation.

ARTICLE 19. ASSIGNMENT

This Agreement may be assigned by a Party only with the written consent of the other Parties; provided that a Party may assign this Agreement without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; provided further that a Party may assign this Agreement without the consent of the other Parties in connection with the sale, merger, restructuring, or transfer of a substantial portion or all of its assets, so long as the assignee in such a transaction directly assumes in writing all rights, duties and obligations arising under this Agreement; and provided further that NYPA and National Grid shall each have the right to assign this Agreement, without the consent of the other Parties, for collateral security purposes to aid in providing financing for the Transmission Project, provided that NYPA or National Grid, as applicable, will promptly notify the other Parties of any such assignment. Any financing arrangement entered into by NYPA or National Grid pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the other Parties of the date and particulars of any such exercise of assignment right(s) and will provide the other Parties with proof that it meets the requirements of Articles 11.4 and Article 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

ARTICLE 21. COMPARABILITY

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality.

Certain information exchanged by the Parties during the term of this Agreement shall constitute confidential information ("Confidential Information") and shall be subject to this Article 22.

If requested by a Party receiving information, the Party supplying the information shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.2 Term.

During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.3 Confidential Information.

The following shall constitute Confidential Information: (1) any non-public information that is treated as confidential by the disclosing Party and which the disclosing Party identifies as Confidential Information in writing at the time, or promptly after the time, of disclosure; or (2) information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F to the ISO OATT.

22.4 Scope.

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 22.9 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information

designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.5 Release of Confidential Information.

No Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by FERC Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be considering providing financing to or equity participation with Developer, or to potential purchasers or assignees of a Party, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.6 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Parties of Confidential Information shall not be deemed a waiver by any Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.7 No Warranties.

By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to the other Parties nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.8 Standard of Care.

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Parties under this Agreement or its regulatory requirements, including the ISO OATT and ISO Services Tariff. The NYISO shall, in all cases, treat the information it receives in accordance with the requirements of Attachment F to the ISO OATT.

22.9 Order of Disclosure.

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires any Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order

or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.10 Termination of Agreement.

Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Parties, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Parties) or return to the other Parties, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Parties pursuant to this Agreement.

22.11 Remedies.

The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.12 Disclosure to FERC, its Staff, or a State.

Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement or the ISO OATT, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Parties to this Agreement prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Parties to the Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations. A Party shall not be liable for any losses, consequential or otherwise,

resulting from that Party divulging Confidential Information pursuant to a FERC or state regulatory body request under this paragraph.

22.13 Required Notices Upon Requests or Demands for Confidential Information

Except as otherwise expressly provided herein, no Party shall disclose Confidential Information to any person not employed or retained by the Party possessing the Confidential Information, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement, the ISO OATT or the ISO Services Tariff. Prior to any disclosures of a Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. NATIONAL GRID AND NYPA NOTICES OF ENVIRONMENTAL RELEASES

National Grid and NYPA shall each notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Transmission Project or the Network Upgrade Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition.

National Grid and NYPA shall each submit specific information regarding the electrical characteristics of their respective facilities to the other, and to NYISO, as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission Concerning the Network Upgrade Facilities.

The initial information submission by National Grid and NYPA for the portion of the Network Upgrade Facilities for which each is responsible shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation of the Network Upgrade Facilities and shall include New York State Transmission System information necessary to allow National Grid or NYPA, as applicable, to select equipment and meet any system protection and stability requirements, unless otherwise mutually agreed to by NYPA and National Grid. On a quarterly

basis National Grid and NYPA shall each provide the other Parties a status report on the construction and installation of their portion of the Transmission Project and Network Upgrade Facilities for which it has construction responsibility pursuant to Appendices A and C, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission Concerning the Transmission Project.

The updated information submission by National Grid and NYPA for the portion of the Transmission Project for which each is responsible, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation of the Transmission Project. National Grid and NYPA shall submit a completed copy of the Transmission Project data requirements contained in Appendix 1 to the Transmission Interconnection Procedures. Information in this submission shall be the most current Transmission Project design or expected performance data. Information submitted for stability models shall be compatible with NYISO standard models.

24.4 Information Supplementation.

Prior to the In-Service Date(s) for the Transmission Project and Network Upgrade Facilities, National Grid and NYPA shall supplement their information submissions described above in this Article 24 with any and all “as-built” Transmission Project and Network Upgrade Facilities information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. National Grid and NYPA shall conduct tests on the Transmission Project as required by Good Utility Practice.

Subsequent to the In-Service Date, National Grid and NYPA shall each provide the other Parties any information changes concerning its portion of the Transmission Project due to equipment replacement, repair, or adjustment. National Grid and NYPS shall provide the other Parties any information changes concerning its Network Upgrade Facilities due to equipment replacement, repair or adjustment in its directly connected substation or any of its adjacent substations that may affect the Transmission Project’s equipment ratings, protection or operating requirements. NYPA and National Grid shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access.

Each Party (“Disclosing Party”) shall make available to another Party (“Requesting Party”) information that is in the possession of the Disclosing Party and is necessary in order for the Requesting Party to: (i) verify the costs incurred by the Disclosing Party for which the Requesting Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes

other than those set forth in this Article 25.1 of this Agreement and to enforce their rights under this Agreement.

25.2 Reporting of Non-Force Majeure Events.

Each Party (the “Notifying Party”) shall notify the other Parties when the Notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this Agreement.

25.3 Audit Rights.

Subject to the requirements of confidentiality under Article 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to another Party, to audit at its own expense the other Party’s accounts and records pertaining to the other Party’s performance or satisfaction of its obligations under this Agreement. Such audit rights shall include audits of the other Party’s costs and each Party’s actions in an Emergency or Emergency State. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to the Party’s performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4 of this Agreement.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of the Network Upgrade Facilities shall be subject to audit for a period of twenty-four months following, as applicable, NYPA’s or National Grid’s submission of the In-Service Date form for the Network Upgrade Facilities set forth in Attachment E-2 to this Agreement.

25.4.2 Audit Rights Period for All Other Accounts and Records.

Accounts and records related to a Party’s performance or satisfaction of its obligations under this Agreement other than those described in Article 25.4.1 of this Agreement shall be subject to audit for twenty-four months after the event for which the audit is sought.

25.5 Reserved.

ARTICLE 26. SUBCONTRACTORS

26.1 General.

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the performance of such subcontractor.

26.2 Responsibility of Principal.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall any Party be liable for the actions or inactions of another Party or its subcontractors with respect to obligations of that Party under Article 5 of this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance.

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 Submission.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance (a "Dispute"), such Party shall provide the other Parties with written notice of the Dispute ("Notice of Dispute"). Such Dispute shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Parties. In the event the designated representatives are unable to resolve the Dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Parties' receipt of the Notice of Dispute, such Dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such Dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Agreement.

27.2 External Arbitration Procedures.

Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the Dispute to arbitration, the Parties shall invoke the assistance of the FERC's Dispute Resolution Service to select an arbitrator. Each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. In each case, the arbitrator shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions.

Unless otherwise agreed by the Parties, the arbitrator shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator may be appealed solely on the grounds that the conduct of the arbitrator, or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service or Network Upgrade Facilities.

27.4 Costs.

Each Party shall be responsible for its own costs incurred during the arbitration process and for its per capita share of the costs of the single arbitrator.

27.5 Termination.

Notwithstanding the provisions of this Article 27, any Party may terminate this Agreement in accordance with its provisions or pursuant to an action at law or equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General.

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing.

Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Transmission Project and Network Upgrade Facilities owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

28.1.2 Authority.

Such Party has the right, power and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict.

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval.

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

ARTICLE 29. MISCELLANEOUS

29.1 Binding Effect.

This Agreement and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

29.2 Conflicts.

If there is a discrepancy or conflict between or among the terms and conditions of this cover agreement and the Appendices hereto, the terms and conditions of this cover agreement

shall be given precedence over the Appendices, except as otherwise expressly agreed to in writing by the Parties.

29.3 Rules of Interpretation.

This Agreement, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this Agreement), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, or such Section to the Transmission Interconnection Procedures or such Appendix to the Transmission Interconnection Procedures, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

29.4 Compliance.

Each Party shall perform its obligations under this Agreement in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, the ISO OATT and Good Utility Practice. To the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this Agreement for its compliance therewith. When any Party becomes aware of such a situation, it shall notify the other Parties promptly so that the Parties can discuss the amendment to this Agreement that is appropriate under the circumstances.

29.5 Joint and Several Obligations.

Except as otherwise stated herein, the obligations of NYISO, NYPA, and National Grid are several, and are neither joint nor joint and several.

29.6 Entire Agreement.

This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties

with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

29.7 No Third Party Beneficiaries.

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and permitted their assigns.

29.8 Waiver.

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Any waiver of this Agreement shall, if requested, be provided in writing.

29.9 Headings.

The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

29.10 Multiple Counterparts.

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

29.11 Amendment.

The Parties may by mutual agreement amend this Agreement, by a written instrument duly executed by all three of the Parties.

29.12 Modification by the Parties.

The Parties may by mutual agreement amend the Appendices to this Agreement, by a written instrument duly executed by all three of the Parties. Such an amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

29.13 Reservation of Rights.

NYISO, NYPA, and National Grid shall have the right to make unilateral filings with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision

of the Federal Power Act and FERC's rules and regulations thereunder, and shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

29.14 No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

29.15 Other Transmission Rights.

Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, or transmission congestion rights that NYPA or National Grid shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrade Facilities.

29.16 Modifications Related to NYISO's Compliance with Order No. 2023.

If, as part of the NYISO's compliance proceeding at the Commission in response to Order No. 2023, the Commission directs that the NYISO modify the *pro forma* Standard Large Generator Interconnection Agreement located in Appendix 4 of Attachment X of the ISO OATT, the Parties shall amend and restate this Agreement to incorporate the modifications; *provided, however,* the Parties may agree to include in the amended and restated agreement non-conforming changes to any terms of the *pro forma* Standard Large Generator Interconnection Agreement that have been modified to comply with the Commission's order, which non-conforming modifications must be filed with the Commission for its acceptance.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

New York Independent System Operator, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Niagara Mohawk Power Corporation d/b/a National Grid

By: _____

Name: _____

Title: _____

Date: _____

New York Power Authority

By: _____

Name: _____

Title: _____

Date: _____

APPENDICES

Appendix A

Network Upgrade Facilities

Appendix B

Milestones

Appendix C

Interconnection Details

Appendix D

Security Arrangements Details

Appendix E-1

Initial Synchronization Date

Appendix E-2

In-Service Date

Appendix F

Addresses for Delivery of Notices and Billings

APPENDIX A

NETWORK UPGRADE FACILITIES

I. Network Upgrade Facilities

The Network Upgrade Facilities are required to reliably interconnect the Transmission Project. National Grid and NYPA shall design, procure, obtain all required permits for, construct, and install the Network Upgrade Facilities for which each is responsible as set forth in this Appendix A.

A. National Grid

National Grid is responsible for the following Network Upgrade Facilities:

i. *Edic Substation*

- Interconnect new Austin Road Substation to Edic Substation with new Austin Road-Edic 345kV line;
- Install new shunt connected capacitor bank and system modifications as needed to accommodate the new Austin Road-Edic 345kV line and capacitor bank; and
- Evaluate relays associated with existing lines at Edic Substation, including Edic-Fitzpatrick, Edic-Fraser Annex, Edic-New Scotland, two (2) Edic-Edge, and two (2) Edic-Clay lines.

ii. *Porter Substation*

- As part of the Q1125 Smart Path Connect (SPC) facility studies, a system low-voltage condition was discovered during the NYISO System Study. To resolve this condition, the 230kV Edic – Porter LN17 will be retained. As such, the Porter 230kV yard will remain in service at the completion of the Transmission Project. The Porter 230kV yard will be reconfigured as a three-bay double-breaker-double-bus with the three-line positions occupied by the 230kV Edic – Porter LN17, the 230/115kV Transformer #1 (TB1) and the 230/115kV Transformer #2 (TB2) respectively.

iii. *Volney Substation*

Transmission Project scope includes changes to Marcy Substation to construct a new bay and line position for Marcy-Adirondack 345kV line that requires the following work at Volney Substation for Marcy-Volney line:

- Evaluate relays associated with Marcy-Volney line to include two (2) line relays and four (4) breaker control relays.

iv. *New Scotland Substation (Remote End)*

- Evaluate relays associated with Marcy-New Scotland line including three (3) breaker control relays.

v. *Clay Substation (Remote End)*

- Evaluate relays associated with two (2) Edic-Clay lines including four (4) line protection relays and eight (8) breaker control relays.

B. NYPA

NYPA is responsible for the following Network Upgrade Facilities:

i. *Patnode Substation*

- Rebuild existing Willis-Patnode 230kV line to two (2) 230kV lines;
- Add one (1) additional line position to Patnode 230 kV ring bus; and
- Evaluate relays associated with the Patnode-Bull Run and Patnode-Marble River 230kV line positions.

ii. *Willis 230 kV Substation (Existing)*

- Transmission Project scope includes to re-terminate existing Willis 230kV Substation via W1 and W2 lines at the new Willis-Annex 230kV Substation. The existing Willis-Patnode and Willis-Ryan lines will be reconstructed and terminated at the new Willis-Annex 230kV Substation.
- Line protection relaying associated with new line terminations at new Willis-Annex 230kV are included in the scope of the Transmission Project; therefore, it is not necessary to evaluate additional line relays at existing stations such as Willis 230kV Substation.

iii. *Willis 115 kV Substation*

- No additional Willis 115kV line relay changes will be evaluated as the 115kV line terminals are separated from the Willis-Willis Annex 230kV line by two (2) system buses away.

Note: Remote-end line terminals will be evaluated two (2) buses away from the Transmission Project as part of Wide Area Coordination Study.

iv. *Moses Substation*

The Transmission Project scope includes the rebuild of two (2) Moses-Willis 230kV lines and the two (2) Moses-Adirondack 230kV lines to the new Haverstock Substation; Moses Substation will interconnect to Haverstock Substation with three (3) 230kV lines comprised of existing and reconstructed assets. Transmission Project scope includes the construction of series reactors on two (2) Moses-Massena 230kV lines.

- Evaluate relays associated with two (2) Moses-Ontario 230 kV lines due to above Transmission Project scope at Moses Substation.

v. *Massena Substation*

The Transmission Project scope includes installing two (2) new series reactors with the 230kV Moses-Massena MMS-2 line and Moses-Massena MMS-1 line.

- Due to the above line changes on MMS1 and MMS2 associated with the Transmission Project, relays associated with MMS1, MMS2 230kV lines, Massena-Chateaugay (HQ) and Massena-Marcy 765kV lines at Massena Substation will be evaluated for changes.

vi. *Marcy Substation*

The Transmission Project scope includes the installation of one (1) new bay with one new 345kV line position and two (2) new 345kV circuit breakers at Marcy Substation to interconnect the new Marcy-Adirondack 345kV line.

- Relays associated with existing lines at Marcy Substation will require evaluation for changes due to the Transmission Project scope. Such relay changes associated with the Marcy-Volney, Marcy-New Scotland and Marcy-Coopers Corners 345kV lines are included in the Transmission Project scope; therefore no additional relay changes are required.

vii. *Duley Substation (Remote End)*

- Evaluate relays associated with Duley-Bull Run 230kV line due to the construction of Bull Run Wind (Queue No. 521) that will separate Duley Substation from Patnode and Ryan substations.

viii. *Ryan Substation*

The Transmission Project scope includes installing one (1) additional 230kV circuit breaker and line position to the existing ring bus configuration at Ryan Substation. Rebuild existing Willis-Ryan 230kV line with two (2) new lines extending to the new Willis Annex 230kV Substation.

- Relay changes associated with existing lines at Ryan substation such as Ryan-Clinton, Ryan-Ellenburg, and Ryan-Chateaugay 230kV lines are included in

the Transmission Project scope; therefore no additional relay changes are required.

ix. Plattsburgh Substation (Remote End)

- Evaluate relay changes associated with Ryan-Plattsburgh 230kV line to include two (2) line relays and four (4) breaker control relays.

x. Fraser Annex (Remote End)

- Evaluate relay changes associated with Edic-Fraser Annex line to include two (2) line protection relays and four (4) breaker control relays.

Note: All impedance-based relays (21, 67) installed within (2) two buses of a series capacitor bank installed at NYPA's Fraser Annex substation must be Real Time Digital Simulator (RTDS) tested. RTDS testing is planned to be performed in the detailed engineering phase.

xi. Coopers Corners Substation (Remote End) (NYSEG)

- Evaluate relay changes associated with Marcy-Coopers Corners line including two (2) line relays and four (4) breaker control relays.

II. Network Upgrade Facilities on Affected Systems

The Transmission Interconnection Studies for the Transmission Project identified Network Upgrade Facilities that are required on Affected Systems to reliably interconnect the Transmission Project to the New York State Transmission System. The required upgrades for the Affected Systems listed below will be addressed pursuant to separate agreement(s).

- Ellenburg Substation, owned and operated by Valcour/ Applied Energy Service (AES).
- Clinton Substation, owned and operated by Valcour/ AES.
- Marble River Substation, owned by EDP Renewables.
- Chateaugay WF Substation, owned and operated by Valcour/AES.
- Fitzpatrick Substation, owned by Constellation Energy.
- MV Edge Substation, owned by Fort Schuyler Management Company.
- Q521 Bull Run Wind Farm, NYPA.
- Rector Road Substation, jointly owned by EDP Renewables and Avangrid.
- Maple Ridge Wind 1 and Maple Ridge Wind 2, owned by EDP Renewables.

- Roaring Brook Wind, owned by Avangrid.
- Ontario Hydro Plant.
- Beaver Falls Generation, owned by NAES/Starwood Energy.

Note: Q620 North Side Solar has not commenced construction; no changes to the scope are necessary.

III. Cost Estimates

Description	Estimated Cost
Network Upgrade Facilities	\$255,190
Other System Upgrades	\$514,899
Total	\$770,089

Figure 1: NNYPTP Connect Overall One-Line Diagram

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Figure 2: Haverstock Substation One Line Diagram (sheet 1 of 3)

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Figure 2: Haverstock Substation One Line Diagram (sheet 2 of 3)
(see below)

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Figure 2: Haverstock Substation One Line Diagram (sheet 3 of 3)
(see below)

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Figure 3: Adirondack 345kV Substation One Line Diagram
(see below)

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Figure 4: Willis 345/230kV Substation One Line Diagram
(see below)

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Figure 5: Austin Road 345kV Substation One Line Diagram
(see below)

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Figure 6: Haverstock Substation Site Plan
(see below)

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Figure 7: Adirondack 345kV Substation Site Plan
(see below)

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Figure 8: Willis 345/230kV Substation Site Plan
(see below)

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Figure 9: Austin Road 345kV Substation Site Plan
(see below)

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APPENDIX B

1. Milestones

MILESTONES

	Milestone	Date	Responsible Party
1.	Development of Project Plan	Completed (Jan 2022)	Transmission Developer
2.	New York State Department of Public Service Article VII Approval (NYPA & NGRID)	Completed (August 2022)	Transmission Developer
3.	New York State Department of Public Service Environmental Management & Construction Plan Approval (NYPA)	Completed (Sept 2022)	Transmission Developer
4.	Execute Interconnection Agreement	December 2024	Transmission Developer/Connecting Transmission Owner
5.	Transmission Line MMS1 test & commission	June 2025	Transmission Developer/Connecting Transmission Owner
6.	Marcy Substation test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
7.	Massena Substation test & commission	June 2025	Transmission Developer/Connecting Transmission Owner
8.	Transmission Line MMS2 test & commission	June 2025	Transmission Developer/Connecting Transmission Owner
9.	Willis Substation test & commission	November 2025 & May 2026	Transmission Developer/Connecting Transmission Owner

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	Milestone	Date	Responsible Party
10.	Haverstock Substation test & commission	November 2025 & May 2026	Transmission Developer/Connecting Transmission Owner
11.	Adirondack Substation test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
12.	Ryan Substation test & commission	May 2026	Transmission Developer/Connecting Transmission Owner
13.	Patnode Substation test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
14.	Transmission Line MH3 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
15.	Transmission Line HW2 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
16.	Transmission Line W1 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
17.	Transmission Line WPN1 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
18.	Transmission Line WPN2 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
19.	Transmission Line WRY1 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner

	Milestone	Date	Responsible Party
20.	Transmission Line MH2 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
21.	Transmission Line HA2 test & commission	October 2025	Transmission Developer/Connecting Transmission Owner
22.	Transmission Line HW1 test & commission	May 2026	Transmission Developer/Connecting Transmission Owner
23.	Transmission Line W2 test & commission	May 2026	Transmission Developer/Connecting Transmission Owner
24.	Transmission Line WRY2 test & commission	May 2026	Transmission Developer/Connecting Transmission Owner
25.	Marcy Substation test & commission (with NGRID Line 12)	November 2025	Transmission Developer/Connecting Transmission Owner
26.	Transmission Line MH1 test & commission	November 2025	Transmission Developer/Connecting Transmission Owner
27.	Transmission Line HA1 test & commission	October 2025	Transmission Developer/Connecting Transmission Owner
28.	Moses Substation modifications	November 2025	Transmission Developer/Connecting Transmission Owner
29.	Austin Rd 345kV Substation test & commission	October 2025	Transmission Developer/Connecting Transmission Owner

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	Milestone	Date	Responsible Party
30.	Edic 345kV Substation Modification test & commissioning	October 2025	Transmission Developer/Connecting Transmission Owner
31.	Chases Lake 230kV Substation targeted yard retirements/modifications	June 2026	Transmission Developer/Connecting Transmission Owner
32.	Porter 230kV Substation targeted yard retirements/modifications	June 2026	Transmission Developer/Connecting Transmission Owner
33.	Rector Rd 230kV Substation test & commissioning	October 2025	Transmission Developer/Connecting Transmission Owner
34.	Transmission Line new 345kV Adirondack – Austin Rd Line 13 test & commissioning	October 2025	Transmission Developer/Connecting Transmission Owner
35.	Transmission Line new 345kV Austin Rd – Edic Line 11 test & commissioning	October 2025	Transmission Developer/Connecting Transmission Owner
36.	Transmission Line new 345kV Adirondack – Marcy Line 12 test & commissioning	November 2025	Transmission Developer/Connecting Transmission Owner
37.	Transmission Line extension 230kV Rector Rd – Austin Rd Line 10 test & commissioning	October 2025	Transmission Developer/Connecting Transmission Owner
38.	Project In-Service – Southern Portion	December 2025	Transmission Developer/Connecting Transmission Owner
39.	Project In-Service – Northern Portion	May 2026	Transmission Developer/Connecting Transmission Owner

NOTE: Interconnected facilities (i.e., wind farms) are included in substation and transmission scope and not listed as separate items.

APPENDIX C

INTERCONNECTION DETAILS

1. Description of the Transmission Project

National Grid and NYPA have developed the NNYPTP Transmission Project with NYISO Queue Position No. 1125, that will interconnect to the New York State Transmission System.

The Transmission Project will be located in the North (Zone D) and Mohawk Valley Region (Zone E) of New York.

A. NYPA Portion of Transmission Project

NYPA is responsible for the following portion of the Transmission Project:

- Build a new Haverstock 345kV Substation, with the following additional scope of work:
 - Complete Smart Path Phase II with modification to Haverstock Substation and extend the Smart Path Phase I Project to complete the rebuild of Adirondack to Haverstock from 230kV to 345kV circuits.
 - Create a loop using three existing 230kV circuits (northern portion of MA1&2 and MW2) from Moses 230kV Substation to Haverstock via 230/345kV transformers.
- Reconstruct the existing Adirondack 230kV Substation to 345kV. Construct a new Adirondack-Austin Road 345kV line and Adirondack-Marcy 345kV line.
- Construct a new Willis-Annex 345kV/230kV Substation.
- Construct a new bay at Marcy Substation including two (2) new 345kV breakers to interconnect with Adirondack Substation.
- Rebuild the existing Moses-Willis 230kV lines (MW1&2) to be Haverstock-Willis 345kV lines that will connect to the new Willis 230kV substation via 345/230kV transformers. Moses substation will interconnect with Haverstock Substation via the MH1, MH2 and MH3 230kV lines.
- Rebuild the existing Willis-Patnode 230kV lines (WPN1 and WPN2) and Willis-Ryan 230kV lines (WRY1 and WRY2) into two (2) 230kV circuits terminating at the new Willis-Annex Substation.
- Upgrade Ryan, Patnode, Moses, Marcy, and Massena substations.

- Install two (2) series reactors on the Moses-Massena 230kV lines
- Retire portions of the existing Adirondack 230kV substation

B. National Grid Portion of the Transmission Project

National Grid is responsible for the following portion of the Transmission Project:

- Construct a new Austin Road 345kV substation to replace the Chases Lake 230kV substation and re-terminate Maple Ridge 1 & 2 and Roaring Brook wind generation via Rector Road Substation by approximately a one mile extension of existing 230kV 10 line into new Austin Road 345kV substation.
- Retire the existing Adirondack-Chases Lake 230kV line, Chases Lake-Porter 230kV line, and Adirondack-Porter 230kV line.
- Partial Retirement the existing Chases Lake Substation.
- The proposed solution (Option 3A) from the Facilities Study for Q1125 resolves the low-voltage condition at Porter 115kV substation. Option 3A includes: decommissioning part of the existing Porter 230kV substation, and leaving portions of the 230kV bus, two (2) 230/115kV transformers, and the Edic-Porter 230kV line in-service. It also includes upgrades to Edic Substation, the installation of a back-to-back tie breaker in a recently created open bay at Edic Substation, and the installation of one (1) shunt capacitor at Edic Substation. The back-to-back tie breaker will be installed to alleviate the stuck breaker contingency of the bay shared by the Marcy – Edic line and the Austin Rd – Edic line.

2. Description of Points of Interconnection and Points of Change of Ownership

The Points of Interconnection (“POI”) and Points of Change of Ownership (“PCO”) of the Transmission Project are identified in the table below and are also shown in the POI one-line diagrams that follow:

Transmission Line/NYPA Facilities Connection	Line # Designation	Structure Description Where POI is Located	Structure Description Where PCO is Located	Description of Change of Ownership
Beaver Falls Generation 115kV Line BFA1 at NYPA's Adirondack Substation	BFA1	Adirondack bus between 345kV substation switches 3009 & 3013	In development	Note 1

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NGRID 345kV Line 13 at NYPA's Adirondack Substation	Line 13	Adirondack bus between 345kV substation switches 3103 & 3107	Str 13-1	Note 2
NGRID 345kV Line 13 at NGRID's Austin Road Substation	Line 13	Austin Road Substation bus switch #133	NA	
Maple Ridge 1 & 2 and Roaring Brook wind generation 230kV Line 10 Rector Road – Austin Road	Line 10	Austin Rd substation bus switch #103	Existing Switch #103 (located on A-frame of retired Chases Lake Substation) to be renamed X10-1	
NGRID 345kV Line 11 at NGRID's Austin Road Substation	Line 11	Austin Rd substation bus switch #113	NA	
NGRID 345kV Line 11 at NGRID's Edic Substation	Line 11	Edic Rd substation bus switch #113	NA	
NGRID 345kV Line 12 at NYPA's Adirondack Substation	Line 12	Adirondack bus between 345kV substation switches 3003 & 3007	Str 12-1	Note 3
NGRID 345kV Line 12 at NYPA's Marcy Substation	Line 12	Marcy bus between 345kV substation switches 3503 & 3507	Str 12-309	Note 4
Northside Solar 345kV Line Segments to NYPA's MMS1 Line	TBD	TBD	TBD	Note 5
Adirondack and Marcy substations Optical Ground Wire (OPGW)				Note 6

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NYPA 230kV Series Reactors at NYPA's Massena Substation	MMS1 MMS2	Substation series reactor's conductor connectors	NA	Note 7
NYPA 230kV Line at NYPA's Moses Substation	MH1	Moses bus between 230kV substation switches 2409 & 2413	NA	Note 7
NYPA 230kV Line at NYPA's Moses Substation	MH2	Moses bus between 230kV substation switches 2609 & 2613	NA	Note 7
NYPA 230kV Line at NYPA's Moses Substation	MH3	Moses bus between 230kV substation switches 2503 & 2507	NA	Note 7
NYPA Willis Annex 230kV Line at NYPA's Willis Substation	W1	Willis bus between 230kV substation switches 2303 & 2313	NA	Note 7
NYPA Willis Annex 230kV Line at NYPA's Willis Substation	W2	Willis bus between 230kV substation switches 2109 & 2113	NA	Note 7
NYPA Willis Annex 230kV Line at NYPA's Patnode Substation	WPN1	Patnode bus between 230kV substation switches 2103 & 2107	NA	Note 7
NYPA Willis Annex 230kV Line at NYPA's Patnode Substation	WPN2	Patnode bus between 230kV substation	NA	Note 7

		switches 2203 & 2207		
NYPA Willis Annex 230kV Line at NYPA's Ryan Substation	WRY1	Ryan bus between 230kV substation switches 2115 & 2215	NA	Note 7
NYPA Willis Annex 230kV Line at NYPA's Ryan Substation	WRY2	Ryan bus between 230kV substation switches 2103 & 2107	NA	Note 7

NOTES:

Note 1: The POI and PCO for the Beaver Falls generator at Adirondack are being finalized and will be defined in the Interconnection Agreement for the generation facility.

Note 2: The Line 13 point of conductor and overhead shield wire asset ownership changes at the dead-ends hardware nearest the Adirondack substation at structure 13-1. NYPA will own up to, but not including the compression dead-end. NGRID will own the compression dead-ends and transmission facilities toward the transmission ROW.

Note 3: The Line 12 point of conductor and overhead shield wire asset ownership changes at the dead-ends hardware nearest the Adirondack substation at structure 12-1. NYPA will own up to, but not including the compression dead-end. NGRID will own the compression dead-ends and transmission facilities toward the transmission ROW.

Note 4: The Line 12 point of conductor asset ownership changes at the dead-end hardware nearest the Marcy substation at structure 12-309. NYPA will own up to, but not including the compression dead-end. NGRID will own the compression dead-end and transmission facilities toward the transmission ROW. NYPA will own structures 12-310, 12-311 and 12-312 with associated foundation and grounding. These structures are between 12-309 and the NYPA Marcy substation.

Note 5: The transmission design for the interconnection of the Northside Solar project has not been completed. The POI and PCO will be determined by the Northside Solar developer and NYPA and included in that Interconnection Agreement.

Note 6: NGRID will lease/exchange OPGW between the Adirondack and Marcy Substations as follows:

- NYPA will lease/exchange one OPGW 48 strand starting at A-frame junction box of NYPA 345kV new Adirondack Substation, running down new Line 12 and ending at A-frame junction box at NYPA Marcy 345kV Substation.
- NYPA will lease/exchange one OPGW 48 strand starting at A-frame junction box of NYPA 345kV new Adirondack Substation, running down new Line 13, into and out of NGRID new Austin Rd 345kV Substation, running down new Line 11, and into NGRID existing Edic Substation ending at A-frame junction box.

Note 7: These interfaces are NYPA Project Developer facilities connected to existing NYPA facilities; therefore, POCs are not applicable.

Figure C-1

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3. Additional Operating Requirements

National Grid and NYPA must comply with all applicable NYISO tariffs and procedures, as amended from time to time.

APPENDIX D

SECURITY ARRANGEMENTS DETAILS

Infrastructure security of New York State Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day New York State Transmission System reliability and operational security. The Commission will expect the NYISO, all Transmission Owners, all Transmission Developers and all other Market Participants to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

APPENDIX E-1

INITIAL SYNCHRONIZATION DATE

[Date]

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard
Rensselaer, NY 12144

Niagara Mohawk Power Corporation d/b/a National Grid
Attn: Director, Customer Energy Integration & Commercial Services
2 Hanson Place
Brooklyn, NY 11217
Phone: (781) 906-4030

New York Power Authority
Sr. Vice President Transmission
Zeltmann 500MW Power Project
31-03 20th Avenue
Astoria, NY 11105-2014
Phone: (718) 267-5603

Re: _____ [Transmission Project/Network Upgrade Facilities]

On [Date] [NYPA/National Grid] initially synchronized the [describe Transmission Project/Network Upgrade Facilities]. This letter confirms [Transmission Project/]’s Initial Synchronization Date was [specify].

Thank you.

[Signature]

[NYPA/ National Grid Representative]

APPENDIX E-2

IN-SERVICE DATE

[Date]

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard
Rensselaer, NY 12144

Niagara Mohawk Power Corporation d/b/a National Grid
Attn: Director, Customer Energy Integration & Commercial Services
2 Hanson Place Brooklyn, NY 11217
Phone: (781) 906-4030

New York Power Authority
Sr. Vice President Transmission
Zeltmann 500MW Power Project
31-03 20th Avenue
Astoria, NY 11105-2014
Phone: (718) 267-5603

Re: _____ **[Transmission Project/Network Upgrade Facilities]**

Dear _____:

On **[Date]** **[NYPA/National Grid]** has completed Trial Operation of **[describe Transmission Project/Network Upgrade Facilities]**. This letter confirms that **[describe Transmission Project/Network Upgrade Facilities]** **[has/have]** commenced service, effective as of **[Date plus one day]**.

Thank you.

[Signature]
[Transmission Developer/Connecting Transmission Owner Representative]

APPENDIX F

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

NYISO:

Before commercial operation of the Transmission Project:

New York Independent System Operator, Inc.
Attn: Vice President, System and Resource Planning
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-6118

After commercial operation of the Transmission Project:

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-6118

National Grid:

Niagara Mohawk Power Corporation d/b/a National Grid
Attn: Director, Customer Energy Integration & Commercial Services
2 Hanson Place
Brooklyn, NY 11217
Phone: (781) 906-4030

NYPA:

New York Power Authority
Sr. Vice President Transmission
Zeltmann 500MW Power Project
31-03 20th Avenue
Astoria, NY 11105-2014
Phone: (718) 267-5603

Phone: (518) 287 6301

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

NYISO:

Before commercial operation of the Transmission Project:

New York Independent System Operator, Inc.
Attn: Vice President, System and Resource Planning
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-6118
E-mail: interconnectionsupport@nyiso.com

After commercial operation of the Transmission Project:

New York Independent System Operator, Inc.
Attn: Vice President, Operations
10 Krey Boulevard
Rensselaer, NY 12144
Phone: (518) 356-6000
Fax: (518) 356-6118
E-mail: interconnectionsupport@nyiso.com

National Grid:

Niagara Mohawk Power Corporation d/b/a National Grid
Attn: Director, Customer Energy Integration & Commercial Services
2 Hanson Place
Brooklyn, NY 11217
Phone: (781) 906-4030
E-mail: NYISOInterconnectionRequests@nationalgrid.com

NYPA:

New York Power Authority
Saul Rojas
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Sr. Vice President Transmission
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Astoria, NY 11105-2014
(718) 267-5603 Saul.Rojas@nypa.gov