FERC rendition of the electronically filed tariff records in Docket No.

Filing Data:

CID: C000038

Filing Title: Con Edison and O&R Transco Agreements Company Filing Identifier: 1170

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: NYISO Agreements Tariff ID: 58

Payment Confirmation: N
Suspension Motion:

Tariff Record Data:

Record Content Description: Agreement No. 2286

Tariff Record Title: O&M Agreement 2286 between O&R and Transco Record Version Number: 0.0.0

Option Code: A

Tariff Record ID: 201

Tariff Record Collation Value: 8080600

Tariff Record Parent Identifier: 2

Proposed Date: 2016-05-27

Priority Order: 500

Record Change Type: New
Record Content Type: 2
Associated Filing Identifier:

ATTACHMENT A

AMENDED AND RESTATED

OPERATIONS AND MAINTENANCE AGREEMENT

EXECUTION COPY

AMENDED AND RESTATED

OPERATIONS AND MAINTENANCE AGREEMENT

BETWEEN

ORANGE AND ROCKLAND UTILITIES, INC.

AND

NEW YORK TRANSCO LLC

DATED

JUNE 23, 2016

Table of Contents

ARTICLE I

RECITALS

ARTICLE II

DEFINITIONS AND INTERPRETATION

Section 2.1 Definitions 2

Section 2.2 Interpretation 8

ARTICLE III

SCOPE OF SERVICES

Section 3.1 Services to be Provided 8

Section 3.2 Annual Maintenance Plan 12

Section 3.3 Standard of Performance 13

Section 3.4 NERC, NPCC and NYSRC Compliance 13

Section 3.5 Training 15

Section 3.6 Contracts with Third Parties; Utilization of Affiliates 15

ARTICLE IV

COMPENSATION AND PAYMENT

Section 4.1 Compensation for Services 15

Section 4.2 Payment 17

Section 4.3 Leased Site and Structural Improvements 17

Section 4.4 Recovery of Costs from Provider 17

ARTICLE V
BUDGET

ARTICLE VI

REPORTING REQUIREMENTS

Section 6.1 Monthly Reports 18

Section 6.2 Immediately Reportable Events 18

Section 6.3 Reportable Events 18

Section 6.4 Other Information 19

ARTICLE VII

EFFECTIVENESS AND TERM

Section 7.1 Term 20

iv

ARTICLE VIII

BOOKS AND RECORDS; DRAWINGS

ARTICLE IX

RIGHT OF ACCESS

Section 9.1 Provider’s Access 21

Section 9.2 Owner’s Access 22

Section 9.3 Drawings 22

ARTICLE X
SAFETY

ARTICLE XI
PERMITS

ARTICLE XII
INSURANCE

Section 12.1 Required Coverage 23

Section 12.2 Proof of Coverage 23

Section 12.3 Right to Inspect 24

Section 12.4 Terms of Coverage 24

Section 12.5 Subrogation Waivers 24

Section 12.6 Contractors, Etc 24

ARTICLE XIII

CONFIDENTIALITY

Section 13.1 General 24

Section 13.2 Required Disclosure 25

Section 13.3 Termination of the Agreement 26

Section 13.4 Survival 26

Section 13.5 Remedies 26

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Negotiation 26

Section 14.2 Non-Binding Mediation 27

Section 14.3 Continuation of Work 27

ARTICLE XV

FORCE MAJEURE

Section 15.1 Excused Performance 28

Section 15.2 Alternate Contractors 28

iv

ARTICLE XVI
TERMINATION

Section 16.1 Termination for Convenience 28

Section 16.2 Immediate Termination by Owner 29

Section 16.3 Termination Upon Notice by Owner 29

Section 16.4 Termination by Provider 29

Section 16.5 Payments to Provider upon Termination by Owner 29

Section 16.6 Effectiveness of Termination 30

Section 16.7 Condition of Transmission Line At End Of Term 30

ARTICLE XVII

LIMITATION ON LIABILITY,

REMEDIES AND SURVIVAL

Section 17.1 Limitation of Liability 30

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification of Provider 32

Section 18.2 Indemnification by Provider 32

Section 18.3 Notification of Claim 33

Section 18.4 Indemnification Procedures; Defense of Claims 33

Section 18.5 Indemnification Amount 34

Section 18.6 Survival 34

ARTICLE XIX

REPRESENTATIONS AND WARRANTIES

ARTICLE XX

MISCELLANEOUS

Section 20.1 Governing Law 35

Section 20.2 Waiver of Jury Trial 35

Section 20.3 Required Regulatory Approvals 35

Section 20.4 Notices 36

Section 20.5 Entire Agreement 36

Section 20.6 Amendment 36

Section 20.7 Third Party Beneficiaries 36

Section 20.8 Relationship of the Parties 36

Section 20.9 Waiver 36

Section 20.10 Severability 36

Section 20.11 Assignment 37

Section 20.12 Transfers 37

Section 20.13 Binding Effect 37

Section 20.14 Counterparts 38

iv

Exhibits

Exhibit A List of Transmission Facilities

Exhibit B NYISO/Owner Operating Agreement

Exhibit C Owner and Provider Contacts for Dispute Resolution Exhibit D List of Interconnection Agreements

Exhibit E Work Order

Exhibit F Emergency Contacts

Exhibit G Compliance and Functional Task Matrix Schedules

Schedule 1 Required Insurance Coverage Schedule 2 Notices

Schedule 3 Initial Maintenance Plan Schedule 4 Initial Budget

iv

AMENDED AND RESTATED OPERATIONS AND MAINTENANCE AGREEMENT

This AMENDED AND RESTATED OPERATIONS AND MAINTENANCE
AGREEMENT (together with all Exhibits and Schedules attached hereto, as hereafter amended
in accordance with its terms, this “Agreement”) is made and entered into as of this 23rd day of
June, 2016, by and between New York Transco LLC, a New York limited liability company,
with offices located at c/o Consolidated Edison Transmission, LLC, 4 Irving Place, New York,
New York 10003 (“Owner”) and Orange and Rockland Utilities, Inc., a New York Corporation
having its offices located at 1 Blue Hill Plaza, Pearl River, NY 10965 (“Provider”) (each, a

“Party” and, together, the “Parties”).

ARTICLE I

RECITALS

A. Owner was formed for the purpose of developing, constructing, owning and

operating certain Projects (as defined in that certain limited liability company agreement of

Owner, dated November 14, 2014, as amended) in the State of New York.

B. Owner intends to develop, construct, own and operate such Projects.

C. The Parties entered into this Agreement as of May 24, 2016 (the “Effective

Date”), to provide, among other things, for the operation and maintenance by Provider on behalf of Owner of the Transmission Facilities, Leased Site and Structural Improvements (each, as defined below) comprising all or part of the transmission project known as the “Second Ramapo to Rock Tavern Project” and for the payment by Owner to Provider for such services.

D. Certain of the maintenance services provided for in this Agreement, including without limitation, Structural Improvement Maintenance and Common ROW Maintenance (as defined in the Lease), are services also being provided to Consolidated Edison Company of New York, Inc. (“CECONY”), the costs for which Owner is fifty percent (50%) responsible to CECONY pursuant to the terms of that certain lease agreement between CECONY, as landlord, and Owner, as tenant, dated as of February 23, 2016 (as amended and in effect from time to time, the “Lease”), and payments for such services hereunder shall be deemed to satisfy Owner’s obligations therefor to CECONY pursuant to the terms of the Lease.

E. The Parties hereby amend and restate this Agreement for the sole purpose of
removing a provision allowing this Agreement to supersede certain Interconnection Agreements
and including certain definitions that had previously referenced definitions contained in other
documents.

NOW, THEREFORE, in consideration of the mutual covenants and agreements specified in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1

ARTICLE II

DEFINITIONS AND INTERPRETATION

Section 2.1 Definitions. Unless the context shall otherwise

require or the express terms of this Agreement shall otherwise provide, the following capitalized terms used in this Agreement shall have the following meanings:

“AAA” has the meaning specified in Section 14.2.

“Accounting Practice” means United States generally accepted accounting principles in accordance, as applicable, with FERC’s “Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act”, as the same may be modified, amended or supplemented from time to time.

“Affiliate” means, with respect to any Person, any other Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms “controlled” and “controlling” have meanings correlative thereto.

“Agreement” has the meaning specified in the Preamble.

“Alternate Contractor” has the meaning specified in Section 15.2.

“Annual Maintenance Plan” means the plan for the provision of Planned Maintenance Services as described in Section 3.1.

“Budget” has the meaning specified in Article V.

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Law to close.

“CECONY” has the meaning set forth in the Recitals.

“CEII” means critical energy infrastructure information as defined under applicable FERC rules and policies.

“Compliance and Functional Task Matrix” has the meaning specified in Section 3.4 “Confidential Information” has the meaning specified in Section 13.1.
“Control Area” has the meaning specified in the Tariff.
“Defect Notice” has the meaning specified in Section 3.3.
“Defective Service” has the meaning specified in Section 3.3.
“Disclosing Party” has the meaning specified in Section 13.1.

2

“Direct Costs” has the meaning specified in Section 4.1(a).

“Dispute” has the meaning specified in Section 14.1(a).

“Dispute Notice” has the meaning specified in Section 14.1(a).

“Effective Date” has the meaning specified in the Recitals.

“Emergency Services” has the meaning specified in Section 3.1(c). “Emergency State” has the meaning specified in the Tariff.

“Environmental Law” means all applicable current and future federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), Environmental Permits (as defined below) and New York State Department of Environmental Conservation Technical Administrative Guidance Memoranda and other guidance documents issued or published by any Governmental Authority, in each case, relating to pollution, protection of the indoor or outdoor environment, natural resources, human health and safety, the presence, Release of, threatened Release of, or exposure to, Hazardous Substances, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or arrangement for such activities with respect to, Hazardous Substances.

“Environmental Permit” means any permit, license, consent, approval, identification number, manifest and other authorization or certification required by any Governmental Authority with respect to or under Environmental Law.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal
for each day during such period to the weighted average of the rates on overnight federal funds
transactions with members of the Federal Reserve System arranged by federal funds brokers, as
published for such day (or, if such day is not a Business Day, for the next preceding Business
Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any date
that is a Business Day, the average of the quotations for such day on such transactions received
by the Parties from three (3) unaffiliated federal funds brokers of recognized standing selected by
them.

“FERC” means the Federal Energy Regulatory Commission, or any successor to its responsibilities and functions.

“Force Majeure Event” means an event, condition or circumstance beyond the reasonable control of the party asserting such Force Majeure Event to excuse performance, and which could not have been avoided by due diligence and use of reasonable efforts, which prevents the performance by the party asserting such Force Majeure Event of any or all of its obligations hereunder. Subject to the foregoing, “Force Majeure Event” includes, acts of God, war, riots, strikes, civil disturbances, lockouts or industrial disputes or disturbances, labor or material shortages, epidemics, landslides, earthquakes, fire, storms, floods, inclement weather necessitating extraordinary measures or expense, and acts or omissions of Governmental Authorities preventing or delaying performance.

3

“Good Utility Practice” means 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 in which the Services are to be performed.

“Governmental Authority” means, any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, county, local, municipal, tribal, foreign or other government; or (iii) governmental or quasigovernmental authority of any nature (including any independent system operator, regional transmission organization, governmental division, department, agency, commission, instrumentality, official, organization, unit or entity and any court or other tribunal), in each case of (i), (ii) or (iii), with jurisdiction over (A) all or a portion of the Transmission Facilities, Leased Site or Structural Improvements, or (B) this Agreement, or (C) any Party.

“Hazardous Substance” means (i) any petroleum, petroleum products or by products and all other hydrocarbons (including, without limitation, petro chemicals and crude oil) or any fraction thereof, coal ash, radon gas, radioactive materials, asbestos, asbestos-containing material, urea formaldehyde, polychlorinated biphenyls, chlorofluorocarbons and other ozonedepleting substances, and (ii) any pollutant, contaminant, chemical, material, substance, product, waste (including thermal discharges) or electromagnetic emissions that (x) is capable of causing harm to the indoor or outdoor environment, natural resources or human health and safety, (y) is, has been, or hereafter shall be listed, regulated, classified or defined as hazardous, toxic, or dangerous under any Environmental Law (including, without limitation, 40 C.F.R. 302.4 (or its successor)), or (z) is otherwise prohibited, limited or regulated by or pursuant to, or for which liability may arise under, any Environmental Law.

“Indemnified Party” and “Indemnified Parties” have the meanings specified in Section

18.3.

“Indemnifying Party” has the meaning specified in Section 18.3.

“Indirect Costs” has the meaning specified in Section 4.1(b).

“Initial Budget” has the meaning specified in Article V.

“Initial Maintenance Plan” has the meaning specified in Section 3.2. “Initial Term” has the meaning specified in Section 7.1.

“Law” means any applicable constitutional provision, statute, act, code, law, regulation,
rule, ordinance (including zoning), order, edict decree, ruling, proclamation, resolution,

judgment, decision, declaration, or interpretative or advisory opinion or letter of a Governmental Authority.

4

“Lease” has the meaning set forth in the Recitals.

“Leased Site” means the real estate corridor described on that certain survey, dated January 22, 2016, prepared by Maser Consulting P.A., on file with Owner and CECONY.

“Losses” has the meaning specified in Section 18.1.

“Maintenance Services” means Planned Maintenance Services and Unplanned Maintenance Services, as specified in Section 3.1(b).

“Mediation Request” has the meaning specified in Section 14.2.

“NERC” means the North American Electric Reliability Corporation, or any successor to its responsibilities or functions.

“NPCC” means the Northeast Power Coordinating Council, Inc., or any successor to its responsibilities or functions.

“NYISO” means the New York Independent System Operator, Inc., or any successor to its responsibilities or functions.

“NYPSC” means the New York State Public Service Commission or any successor to its responsibilities or functions.

“NYSRC” means the New York State Reliability Council or any successor to its responsibilities or functions.

“Operation Services” means those services as specified in Section 3.1(a). “OSHA” has the meaning specified in Section 3.3.

“Owner” has the meaning specified in the Preamble.

“Owner Contact” has the meaning specified in the Section 14.1.
“Owner Parties” has the meaning specified in Section 18.2.
“Party” or “Parties” has the meaning specified in the Preamble.

“Permits” means the governmental approvals, identification numbers, permits, licenses, rights of way, concessions, consents, waivers, authorizations and other permissions required to own, construct, operate or maintain the Transmission Facilities, Leased Site and Structural Improvements in compliance with applicable Law.

“Person” means any natural person, corporation, limited partnership, general partnership, limited liability company, joint stock company, joint venture, association, company, estate, trust, bank trust company, land trust, business trust, or other organization, whether or not a legal entity, custodian, trustee-executor, administrator, nominee or entity in a representative capacity and any Governmental Authority.

5

“Planned Maintenance Services” means those services specified in Section 3.1(b)(i). “Project(s)” has the meaning specified in the Preamble.

“Property” means those parcels of real property identified on Exhibit A and Exhibit B to the Lease.

“Provider” has the meaning specified in the Preamble.

“Provider Contact” has the meaning specified in Section 14.1.
“Provider Parties” has the meaning specified in Section 18.1.
“Receiving Party” has the meaning specified in Section 13.1.

“Release” means any release, threatened release, spilling, emitting, discharging, leaking, pumping, pouring, emptying, escaping, dumping, injecting, depositing, disposing, dispersing, leaching or migrating of any Hazardous Substance.

“Remediation” means the investigation, cleanup, removal, transportation, disposal,
treatment (including in-situ treatment), management, stabilization, neutralization, collection, or
containment of Hazardous Substances, in each case, including, without limitation, any
monitoring, operations and maintenance activities that may be required by any Government
Authority after the completion of such investigation, cleanup, removal, transportation, disposal,
treatment, management, stabilization, neutralization, collection, or containment activities as well
as the performance of any and all obligations imposed by any Governmental Authority in
connection with such investigation, cleanup, removal, transportation, disposal, treatment
(including in situ treatment), management, stabilization, neutralization, collection, or
containment (including any such obligation that may be imposed on Landlord under a brownfield
cleanup agreement or a consent order).

“Renewal Term” has the meaning specified in Section 7.1.

“Representatives” has the meaning specified in Section 13.1.

“Required Approvals” has the meaning specified in Section 20.3. “Rules” has the meaning specified in Section 14.2.

“Services” means all Operation Services, Maintenance Services and Emergency Services, in each case as such services may be modified in writing from time to time by mutual written agreement of the Parties.

“Structural Improvements” has the meaning specified in the Lease.

“Substantial Unplanned Maintenance Services” means the Unplanned Maintenance
Services that are not Emergency Services and that have an estimated cost of more than $25,000.

6

“Substation Upgrade Facilities” means the electric substation at Sugarloaf, including associated equipment, identified in Exhibit A, as to which legal title is held by Provider but the right to earn a return is held by Owner.

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

“Termination Costs” means all documented direct and indirect costs incurred by
Provider in connection with the performance of Services (i) prior to the effective date of
termination, including such costs incurred for materials, equipment, tools, construction
equipment and machinery, engineering and other items, materials, assets or services that cannot
reasonably be avoided, mitigated or cancelled, (ii) to unwind any work undertaken prior to or
after the effective date of termination to the extent reasonably necessary to return the
Transmission Facilities to a configuration or condition in compliance with Good Utility Practice
and applicable Law, and (iii) arising from cancellation costs relating to orders or contracts
entered into in connection with the performance of Services by Provider prior to the effective
date of the termination.

“Third Party Claim” has the meaning specified in Section 18.4.

“Third Party Warranties” has the meaning specified in Section 17.1.

“Transco/NYISO Operating Agreement” means the Operating Agreement by and between the NYISO and Owner dated May 23, 2016, which is attached hereto as Exhibit B and which shall not hereafter be amended to modify Owner’s obligations as undertaken herein by Provider (which undertaking is limited to certain obligations set forth in Section 2 thereof) without Provider’s express prior written consent.

“Transferee” has the meaning specified in Section 20.12.
“Transferor” has the meaning specified in Section 20.12.

“Transmission Facilities” means the Transmission Line and the Substation Upgrade Facilities.

“Transmission Line” means those high voltage electric transmission lines and associated
equipment, including any modifications, additions, replacements or upgrades thereto, as listed on

Exhibit A.

“Transmission System” means the New York State electric transmission system, which includes (i) the Transmission Facilities under NYISO Operational Control (as that term is defined in the Tariff), which includes, for purposes of this Agreement only, the transmission facilities in Appendix A-1 of the Transco/NYISO Agreement; (ii) the Transmission Facilities Requiring NYISO Notification (as that term is defined in the Tariff); and (iii) all remaining transmission facilities within the New York Control Area.

“Unplanned Maintenance Services” has the meaning specified in Section 3.1(b)(ii).

7

Section 2.2 Interpretation.

(a) Headings. Titles, captions and headings in this Agreement are inserted for

convenience only and will not be used for the purposes of construing or interpreting this Agreement.

(b) References. In this Agreement, unless the context clearly requires

otherwise: (i) the singular includes the plural and vice versa; (ii) reference to any Person includes
such Person’s successors and assigns but, in the case of a Party, only if such assigns are
permitted by this Agreement, and reference to a Person in a particular capacity excludes such
Person in any other capacity; (iii) reference to any gender includes each other gender;

(iv) reference to any agreement (including this Agreement), document or instrument means such
agreement, document or instrument as amended or modified and in effect from time to time in
accordance with the terms thereof and, if applicable, hereof; (v) reference to any Law means
such Law 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; (vi)

reference to any Section or Article means such Section or Article of this Agreement, and
references in any Section, Article or definition to any clause means such clause of such Section,
Article or definition; (vii) “hereunder,” “hereof,” “hereto” and words of similar import will be
deemed references to this Agreement as a whole and not to any particular Article, Section or
other provision of this Agreement; (viii) “including” (and with correlative meaning “include”)
means including without limiting the generality of any description preceding such term;
(ix) 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”; (x) the word
“or” is not exclusive; (xi) this Agreement shall be interpreted without reference to any prior
drafts; and (xii) accounting terms used in this Agreement will have the meanings assigned to
them under Accounting Practice.

(c) Industry Meanings. Words and abbreviations not defined in this

Agreement that have well-known electric power industry meanings in the United States are used in this Agreement in accordance with those recognized meanings.

(d) Construction. The Parties hereto have participated jointly in the

negotiation and drafting of this Agreement. In the event of any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any provision of this Agreement. This Agreement shall be interpreted without reference to any prior drafts hereof.

ARTICLE III

SCOPE OF SERVICES

Section 3.1 Services to be Provided. Except as may be modified

by the Annual Maintenance Plan, Provider shall perform, or cause to be performed, the following
Services in accordance with the terms and conditions and procedures specified in this Agreement
using its own employees or, subject to Section 3.2, contractors who typically perform such

8

Services, and Provider shall be responsible for the provision of all equipment and replacement
parts required in connection with such Services, unless otherwise agreed to by the Parties hereto:

(a) Operation Services. Provider shall perform, or caused to be performed,

the following Operation Services for Owner (the “Operation Services”):

(i) Maintaining the Transmission Facilities, Leased Site and

Structural Improvements in good operating order and condition, comparable to the

maintenance it performs on transmission facilities owned by Provider and consistent with

Section 2.02 of the Transco/NYISO Operating Agreement;

(ii) Field switching of transmission equipment;

(iii) Investigating equipment anomalies and performing other

field operational activities consistent with the Annual Maintenance Plan, unless otherwise

agreed by the Parties;

(iv) Taking such action as may be necessary to maintain safe operations,

which include actions to ensure the safety of personnel operating or performing work or tests on

transmission facilities;

(v) Performing outage scheduling of Transmission Facilities as necessary

in accordance with Section 2.08 of the Transco/NYISO Operating Agreement and NYISO

procedures;

(vi) Monitoring and controlling the Transmission Facilities through a

centralized control room; and providing the metering and telemetry data required in Section 2.05 of the Transco/NYISO Operating Agreement; and

(vii) Such other operations services that are incidental to the foregoing or

otherwise necessary as Owner and Provider shall mutually agree. Any request by Owner or Provider for additional operation services shall be made by delivery of a work order in the form set forth as Exhibit E attached hereto.

Unless otherwise agreed by the Parties, Provider shall have no

responsibility for seeking or acquiring any real property rights (whether fee, easement or other right of way interests), nor any licenses, consents, permissions, certificates, approvals, or authorizations related thereto in connection with the Services or this Agreement.

(b) Maintenance Services. Provider shall perform, or cause to be performed,

Planned Maintenance Services and Unplanned Maintenance Services (together, “Maintenance Services”) as described herein.

(i) Planned Maintenance Services shall be identified in the Annual

Maintenance Plan and shall consist of the following (“Planned Maintenance Services”):

(1) Periodic inspection, testing, and monitoring of the Transmission

Facilities, Leased Site and Structural Improvements;

9

(2) At the Substation Upgrade Facilities, activities required by the

Sugar Loaf 345 kV Substation Stormwater Prevention Pollution Plan (SWPPP), the Sugar Loaf
345 kV Substation Spill Prevention, Control and Countermeasure Plan (SPCC), NERC

standards, NPCC requirements, and any other activities required by regulators or applicable Law;

(3) Scheduling and conducting preventive and corrective maintenance

in accordance with Section 2.08 of the Transco/NYISO Operating Agreement;

(4) Compiling and maintaining records and reports related to

preventive and corrective maintenance activities; and

(5) Performing vegetation management or other work related to

maintaining the Leased Site as required of Owner pursuant to the Lease.

(ii) Unplanned Maintenance Services are Maintenance Services that are

not identified in the Annual Maintenance Plan but are required to be performed pursuant to Good Utility Practice (the “Unplanned Maintenance Services”) and may consist of the following:

(1) Repairing of damaged Transmission Facilities that are not in the

Annual Maintenance Plan but may compromise safety or reliability if unaddressed;

(2) Conducting any Remediation, restoration or corrective action in

connection with any Release or compliance with Environmental Law, in each case, to the extent attributable caused by or directly relating to the Transmission Facilities;

(iii) Performing such other actions that are incidental to the foregoing or

otherwise necessary to comply with applicable Law, including Environmental Law, or as Owner
and Provider shall mutually agree. Any request by Owner or Provider for additional maintenance
services shall be made by delivery of a work order in the form set forth as Exhibit E attached
hereto.

Prior to performing any Substantial Unplanned Maintenance Service, Provider shall, to
the extent practicable, provide Owner with a description of the Substantial Unplanned
Maintenance Service that it proposes to undertake, the resources needed to carry out the work, a
schedule for the work, a good faith estimated cost to perform that work and a list of
Transmission Facilities that will be the subject of an outage and the duration of such outage.
Provider shall proceed with the Substantial Unplanned Maintenance Service only following
written receipt of approval from Owner, except to the extent otherwise required by applicable
Law (including Environmental Law). All Substantial Unplanned Maintenance Service shall be
set forth in a work order in the form set forth on Exhibit E attached hereto.

Provider shall be responsible for scheduling with NYISO the work required to be

performed by Provider in connection with Maintenance Services as required by Section 2.08 of the Transco/NYISO Operating Agreement.

(c) Emergency Services. Subject to the terms hereof, Provider shall perform,

or cause to be performed, those activities that are needed to restore the Transmission Facilities to
normal working conditions (“Emergency Services”). Emergency Services may include response

10

to system disturbances or outages, equipment failures, and Releases, and services undertaken to effect post-emergency repairs to the Transmission Facilities.

Provider shall use reasonable efforts to maintain an organization and

personnel, or otherwise have access to contractors or other resources, sufficient to provide
Emergency Services to Owner on a 24/7 basis. Communications between Owner and Provider
concerning Emergency Services shall be made using the method or methods reasonably
appropriate under the circumstances at the time the communication takes place. Provider shall
include Owner as part of its Emergency Communications protocols. Owner and Provider
Emergency Contact list, which list will be updated annually as required, is attached hereto as
Exhibit F.

In carrying out Emergency Services, Provider shall:

(i) report to Owner the anticipated and actual impact of extreme weather

and other emergency conditions on the Transmission Facilities, and Provider’s actions in response thereto, including regular updates of Provider’s actions;

(ii) assist Owner to develop, and coordinate with Owner, all

communications concerning the Transmission Facilities, with Owner’s customers, public agencies and the media about emergency conditions and service restoration efforts;

(iii) provide Owner with all necessary information relating to the

Emergency Services to allow Owner to prepare and timely file all reports that may be required to be filed with any Governmental Authority;

(iv) take prompt action in accordance with Good Utility Practice to prevent

or minimize damage to Transmission Facilities, and to facilitate their restoration to service, in a weather or other emergency;

(v) unless otherwise directed by Owner, repair or replace damaged or

failed Transmission Facilities, and promptly, in accordance with Good Utility Practice, restore the Transmission Facilities to pre-emergency conditions;

(vi) in the case of an Emergency State involving or affecting the

Transmission Facilities, comply with the Emergency State procedures of the NYISO;

(vii) communicate and schedule with NYISO in connection with any

required equipment outage in accordance with the Section 2.08 of the Transco/NYISO Operating

Agreement; and

(viii) comply with NYISO directions for restoration of the Transmission

Facilities and any other Transmission Systems for which Provider is responsible in the event of
an outage affecting the Transmission Facilities as required by Section 2.10 of the

Transco/NYISO Operating Agreement. In the event that any such NYISO directions conflict with, or may prevent or delay performance of, any Provider obligations under this Agreement, such NYISO directions shall govern and Provider’s compliance therewith shall not result in any liability to Owner under, or be deemed a breach of, this Agreement.

11

If Provider reasonably believes that it does not have the resources or expertise to address
an emergency situation or if Owner reasonably believes that Provider is not managing an
emergency situation in a satisfactory manner, the Parties shall promptly discuss the matter and
attempt to reach a mutually agreeable resolution as promptly as is reasonably possible, including
Owner providing resources itself or through third parties to address the emergency situation,
consistent with Good Utility Practice and at Owner’s sole cost and risk. In such event, and to the
extent it is able, Provider may loan or sell the necessary equipment, materials and supplies to
Owner or its contractors upon Owner’s request. Notwithstanding anything to the contrary in this
Agreement, in the event that Provider is unable to provide or is delayed in providing Emergency
Services due to compliance with any applicable Law (including Environmental Law or the
applicable requirements of any Governmental Authority (including due to diversion or re-
prioritization of resources), then such failure or delay shall not be deemed a breach of, or a non-
compliance with, this Agreement by Provider and shall not give rise to any liability on the part of
Provider hereunder.

(d) Acceptance of Services. Following notification of the completion of any

work (which shall be deemed to be made via delivery of an invoice covering the work), Owner shall have the right to inspect the same. Owner may acknowledge its acceptance of the work by countersigning a completed work order in the form of Exhibit E. Failure by Owner to either acknowledge its acceptance via such countersignature or raise objection to the work in writing within six (6) months of its completion shall be deemed to constitute acceptance.

Section 3.2 Annual Maintenance Plan. The maintenance plan for 2016 (the “Initial

Maintenance Plan”), attached hereto as Schedule 4, is based upon and consistent with the
Provider’s existing annual maintenance plan applicable to the operation and maintenance
services Provider performs in connection with the Leased Site and the assets located thereon.

For future years, Owner shall develop and submit to Provider a preliminary annual
maintenance plan (the “Annual Maintenance Plan”) with respect to the Transmission Facilities,
Leased Site and Structural Improvements, identifying the Planned Maintenance Services that
Owner requests Provider perform in the succeeding calendar year (as described in Section 3.1)
and the preliminary schedule for performing the same. To support the development of the
Annual Maintenance Plan, which shall commence on or before August 1 of each year, Owner
may refer to the Initial Maintenance Plan or the then current year’s Annual Maintenance Plan as
a guide to Provider’s maintenance requirements, and request that Provider identify or otherwise
provide (within forty-five (45) days of such request) for the succeeding calendar year: (i) any
recommended changes to such maintenance requirements from those applicable to the then-
current year, (ii) a good faith estimate of funds (consistent with the Budget described in Article

V) required to perform the Planned Maintenance Services, (iii) a list of contractors (and

subcontractors) that it proposes to utilize to perform the Services (provided that failure to name a
contractor in any Annual Maintenance Plan shall not preclude such contractor’s use, provided
that Owner is notified of the intended utilization as soon as reasonably practicable in advance for
activities on the Transmission Line), and (iv) any other comments or recommended changes to
the then-current Annual Maintenance Plan. The Parties will endeavor in good faith to conclude a
mutually acceptable definitive written Annual Maintenance Plan (including a list of approved
Provider contractors) on or before August 31 of the preceding calendar year; provided that any
failure to do so shall be subject to the dispute resolution procedures described in Article XIV.

12

The Initial Maintenance Plan and Annual Maintenance Plan shall (A) be consistent with Good
Utility Practice and applicable reliability standards as prescribed by NERC, NPCC, NYSRC and
any other Governmental Authority, (B) to the extent not inconsistent therewith, conform to the
maintenance requirements provided by Provider, and (C) be subject to modification in

connection with the requirement under the Tariff to obtain prior approval for equipment outages from NYISO.

Section 3.3 Standard of Performance. Owner and Provider shall perform their

respective duties and obligations hereunder in a commercially reasonable manner, consistent
with Good Utility Practice and in accordance with applicable Law, including the applicable
reliability standards as prescribed by NERC, NPCC, NYSRC and other Governmental
Authorities as required by Sections 2.02 through Sections 2.08 and Sections 2.10 and 2.11 of the
Transco/NYISO Operating Agreement (Owner hereby representing to and agreeing with

Provider that a true and complete copy of the Transco/NYISO Operating Agreement is attached
hereto as Exhibit B and that no changes to Owner’s obligations as undertaken by Provider herein
(which obligations are set forth in Section 2 of the Transco/NYISO Operating Agreement) shall
hereafter be made without Provider’s prior express written consent). To the extent not
inconsistent with the foregoing, Provider shall perform Services in accordance with Provider’s
then applicable practices with respect to operation, maintenance and emergency activities.
Provider agrees that all Services hereunder will be performed by qualified personnel, as such
term is defined in the rules and regulations of the Occupational Safety and Health Act of 1970
(“OSHA”). Unless Owner shall have agreed otherwise in writing, Provider shall use reasonable
efforts to provide Planned Maintenance Services within the estimates set forth in the Annual
Maintenance Plan. The personnel utilized by Provider for the performance of Services that are
employees of Provider shall not be required to be dedicated solely to providing the Services.

If, during the course of inspection or otherwise prior to acceptance of any Service in
accordance with Section 3.1(d), Owner determines that the Service fails to conform to this
Agreement (a “Defective Service”), Owner shall so notify Provider thereof in writing, describing
the Defective Service in reasonable detail (a “Defect Notice”). Provider shall promptly correct
or re-perform the Defective Service specified in the Defect Notice so that it conforms to this
Agreement at Provider’s own cost and expense, provided, however, that any Defective Service
identified after Owner’s acceptance shall be corrected and/or re-performed at Owner’s expense
absent Provider’s willful intent to deceive. If Provider is obligated under this Section 3.3 to
remedy a Defective Service and fails or is unable to do so within a period consistent with
Owner’s reasonable requirements, then Owner may undertake to remedy the Defective Service
and, if Provider had been obligated to correct the same at its expense, then Provider shall
reimburse Owner for any reasonable costs incurred thereby. The remedies set forth in this
Section 3.3 shall be Owner’s sole and exclusive remedy for any failure of Services to conform to
the requirements of this Agreement.

Section 3.4 NERC, NPCC and NYSRC Compliance.

(a) Owner Compliance Responsibilities. The Owner shall be solely

responsible for complying, and hereby expressly agrees to assume sole responsibility to comply,
with all NERC Standards applicable to the Transmission Line. In furtherance of the foregoing,
Owner represents and warrants to, and covenants and agrees with, Provider that Owner has, on or

13

prior to the Effective Date, registered, and will at all times during the Term maintain such
registration, as the Transmission Owner and will not de-register as the Transmission Owner, with
NERC of the Transmission Line. Attached hereto as Exhibit G is a responsibility matrix to
which the Parties have agreed (as modified and in effect from time to time, the “Compliance and
Functional Task Matrix”), which identifies Owner as the responsible entity for compliance, as
well as the functional tasks Provider will perform as Owner’s contractor in support of such
compliance, with respect to each of the reliability standards set forth therein, as they pertain to
the Transmission Line. In the event of any change in applicable NERC Standards, Owner may
request, and Provider will endeavor in good faith to agree to, modifications to the Compliance
and Functional Task Matrix (any such modifications being subject to the Parties’ mutual written
agreement).

(b) Provider Compliance Responsibilities. Provider shall be solely

responsible for complying, and hereby expressly agrees to assume sole responsibility to comply, with all NERC Standards applicable to the Substation Upgrade Facilities. In furtherance of the foregoing, Provider, as it relates to the Substation Upgrade Facilities, represents and warrants to, and covenants and agrees with, Owner that Provider has, on or prior to the Effective Date, registered, and will at all times during the term of this Agreement maintain such registration, as the Transmission Owner and will not de-register as the Transmission Owner, with NERC of the Substation Upgrade Facilities.

(c) Tri-Partite Agreement. Without limiting or otherwise affecting

Owner’s obligations under Sections 3.4(a) or (d) or Provider’s obligations under Section 3.4(b),
the Parties agree to negotiate in good faith and enter into a separate agreement among them and
CECONY, to memorialize and set forth (i) Owner’s acceptance of NERC compliance

responsibility as the registered Transmission Owner of the Transmission Line (as herein

provided), (ii) Provider’s acceptance of NERC compliance responsibility as the registered Transmission Owner with respect to the Substation Upgrade Facilities (as herein provided) and the southern portion of the Feeder 76 transmission line running from the Substation Upgrade Facilities to the Ramapo Substation, and (iii) CECONY’s acceptance of NERC compliance responsibility as the registered Transmission Owner with respect to the substation upgrade facilities located at its Ramapo, New York substation.

(d) Notice of Violation. In the event Provider receives a notice of

possible violation (an “NPV”) from NPCC associated with the Substation Upgrade Facilities or if Provider identifies a possible violation for which it is self-reporting to NPCC, which carries the possibility of financial penalties as to which Provider would seek indemnification hereunder, Provider shall notify Owner of such NPV in writing (which may be via email) as soon as practicable. Owner may, in its sole discretion, participate in any investigation conducted by Provider to determine the cause of the NPV.

(e) NERC Compliance Indemnification. To the fullest extent

permitted by applicable Law, Owner agrees to indemnify and hold harmless Provider, its
affiliates (other than Transco and its members), and its and their respective members, trustees,
directors, managers, officers, employees, agents and representatives (collectively, “Provider

Indemnitees”) from and against any and all NERC assessed financial penalties (collectively,
“Penalties”) suffered, sustained or incurred by Provider or any Provider Indemnitee, together

14

with defense costs incurred by Provider or any Provider Indemnitee with respect thereto
(including, but not limited to, attorneys’ fees and costs of experts) (collectively, “Defense

Costs”) to the extent arising out of, relating to or resulting from any failure of compliance with
any applicable NERC reliability requirements with respect to the Substation Upgrade Facilities,
except to the extent such Penalties and Defense Costs (i) result solely from the grossly negligent,
fraudulent, or intentionally wrongful acts or omissions of Provider or any Provider Indemnitee,
or (ii) are attributable to a systemic issue not directly related to the Substation Upgrade Facilities.
For purposes of clarity, the indemnification herein provided in respect of violations or alleged
violations that affect both the Substation Upgrade Facilities and other Sugarloaf Substation assets
shall be apportioned based on how the number of Substation Upgrade Facilities impacted
compares to the total number of functionally equivalent Sugarloaf Substation assets impacted.
Provider shall assume the defense of any claim subject to indemnification hereunder with
counsel chosen by Provider and reasonably acceptable to Owner. Owner shall pay its pro rata
costs of Provider’s counsel and experts and will have the opportunity to participate in the defense
of the claim with its own counsel and at its own expense; provided, however, that if both Parties
are named in the action and their joint representation by the same counsel would be inappropriate
due to a conflict of interest, then each Party shall bear the costs of its own counsel and experts.

(f) Compliance Audit. Owner shall have the right, but not the

obligation, to conduct audits with respect to Provider’s compliance with NERC Standards
applicable to the Substation Upgrade Facilities. Provider agrees to cooperate with such audits
and, upon request, provide Owner (or Owner’s agents, subject to Provider’s reasonable approval)
with access to and/or copies of all records kept in connection with Owner’s compliance activities
with respect to the Substation Upgrade Facilities. Such audit and requests for records shall be
subject to 30 days’ advance notice, unless otherwise required by NERC / NPCC or any
unplanned external investigation that involves the Substation Upgrade Facilities.

Section 3.5 Training. [intentionally omitted].

Section 3.6 Contracts with Third Parties; Utilization of Affiliates. Provider

may utilize, without further notification to Owner, the services of any contractor, identified in the Annual Maintenance Plan or of any Affiliate for the performance of the Services hereunder, and if required by Owner for activities on the Transmission Line, Provider shall procure such subcontractor’s written agreement to comply with any applicable Interconnection Agreement identified on Exhibit D hereto, provided, however, in all cases, Provider shall be responsible and liable for the acts and omissions of each such subcontractor (including such subcontractors’ subcontractors and employees) and Affiliates to the same extent as if such acts or omissions were by Provider or its employees. All third party contract or Affiliate work used to provide Services under this Agreement shall be charged directly to Owner at actual cost.

ARTICLE IV

COMPENSATION AND PAYMENT

Section 4.1 Compensation for Services. In consideration of

Provider’s provision of the Services in connection with the Transmission Facilities, Leased Site
and Structural Improvements, Owner shall pay to Provider all of the documented reasonable

15

Direct and Indirect Costs incurred by Provider in performing the same (i.e., to the extent applicable or allocable to such performance):

(a) Direct costs (the “Direct Costs”) include the following:

(i) all of Provider’s internal costs of labor and services

associated with the Services;

(ii) all costs and expenses associated with materials, supplies,

tools, machinery, apparatus and equipment, including rental charges and energy usage, including properly allocated overheads normally included in Provider’s charges for services billed to collect cost orders (excludes overhead charges, which are components of Indirect Costs);

(iii) costs and expenses for contract labor, outside services and

subcontractors, including outside consultants and reasonable attorneys’ fees (as applicable);

(iv) federal, state or local taxes of any character, including sales,

use, ad valorem or similar taxes, imposed in connection with the Services performed under this Agreement, excluding any taxes on income;

(v) property taxes associated with the Substation Upgrade

Facilities, based on the ratio of the gross book value of the Substation Upgrade Facilities compared to the total gross book value of the Sugarloaf Substation (determined by reference to Provider’s most recent filing with Office of Real Property Tax Services);

(vi) costs and expenses of travel and related transportation, meals,

lodging and per diem costs;

(vii) costs of insurance for complying with the insurance

requirements set forth in Schedule I to the extent such requirements are incremental or additional to coverage carried by Provider in the normal course of business, including premiums paid and deductibles from insured claims (it being acknowledged and agreed that, with respect to the Substation Upgrade Facilities, electric property insurance cost multiplied by a fraction, the numerator of which is the book value of the Substation Upgrade Facility and the denominator of which is the book value of Provider’s total electric station and structure plant in service (as reported in Provider’s most recent FERC Form 1 report));

(viii) costs of enforcing or attempting to enforce applicable

insurance policies, payment and performance bonds, contracts, warranties and any other rights held by Provider in relation to its provision of Services; and

(ix) any other Direct Costs or expenses of providing the Services.

(b) Indirect costs (the “Indirect Costs”) include the following:

(i) labor overheads directly associated with any and all of the

direct costs, including pensions, other post-retirement benefits and health care costs; and

16

(ii) administrative and general expenses.

(c) Direct Costs and Indirect Costs shall be accounted for by Provider in accordance with applicable Accounting Practices and shall be consistent with FERC’s affiliate transaction rules and applicable Law.

Section 4.2 Payment. Provider shall provide monthly invoices to

Owner, setting forth the costs incurred by Provider to provide the Services during the most recent
period for which costs are available (up to 120 days prior). Invoices shall contain reasonable
detail and, upon request, shall be accompanied by reasonably necessary supporting
documentation. Owner shall pay all invoices within thirty (30) days of receipt by wire transfer
of immediately available funds, except to the extent that Owner disputes any amount in good
faith, in which event Owner shall provide written notice of such Dispute (and an explanation of
the basis for it as described in Article XIV) and pay the disputed amount into an independent
escrow account chosen by Owner pending resolution of the Dispute (the costs of which escrow
account shall be borne exclusively by Owner). Billing and payment Disputes not resolved in the
normal course of business shall, upon the request of either Party, be subject to the Dispute
resolution procedures described in Article XIV. Any undisputed amounts not timely paid timely
shall carry a finance charge accruing at the prime rate of interest (as announced by the Wall
Street Journal from time to time) plus 2% per year.

Section 4.3 Leased Site and Structural Improvements. The Parties

acknowledge Owner’s payment responsibilities under the Lease. In consideration of Provider’s
provision of the Services in respect of the Leased Site and Structural Improvements, Owner shall
pay directly to Provider (in lieu of paying CECONY) Owner’s allocated portion of the

documented reasonable Direct and Indirect costs incurred by Provider in performing such Services in accordance with the terms and conditions of the Lease.

Section 4.4 Recovery of Costs from Provider. In the event any of

the costs for Operations Services or Maintenance Services agreed to and paid for by Owner
hereunder are determined by FERC to be unjust and unreasonable and not eligible for rate
recovery by Owner, Provider will specify a new rate, term or condition that is just and reasonable
and not unduly discriminatory or preferential and that is thereafter to be used. Subject to any
FERC order to the contrary, all prudently occurring costs prior to a FERC decision are fully
reimbursable.

ARTICLE V
BUDGET

The Parties shall endeavor to agree in writing to a mutually acceptable budget for the Operation Services and Planned Maintenance Services by August 31 of the preceding calendar year in which it is to take effect (the “Budget”). The Budget shall contain a good faith estimate of the cost to perform the Operation Services and Planned Maintenance Services in the next succeeding calendar year, including an itemization of all direct labor costs, labor overhead costs, and material procurement, including, equipment, spare parts, and consumable inventories necessary or appropriate therefor.

17

Owner and Provider shall develop a budgetary estimate to perform Unplanned Maintenance Services and Emergency Services. This estimate shall be developed and included as part of the Budget. Provider will deliver quarterly budgetary forecasts for the remainder of the budget year for Owner’s review and approval.

The Budget for the period commencing on the Effective Date and ending on December 31, 2016 (the “Initial Budget”), attached hereto as Schedule 4, is based upon the Provider’s existing budget applicable to the operation and maintenance of the Leased Site, Sugarloaf Substation and the assets located thereon.

Owner acknowledges that the Initial Budget is, and each Budget thereafter shall be, a
good faith estimate of the funds reasonably required by Provider to perform the Services; they
shall not operate to limit Owner’s responsibility to pay Provider for all actual, documented
Direct Costs and Indirect Costs incurred by Provider in connection with such performance.

ARTICLE VI

REPORTING REQUIREMENTS

Section 6.1 Monthly Reports. Provider shall prepare and submit

to Owner, on a monthly basis with the invoice for Services provided hereunder, beginning July 1,
2016, a monthly report identifying or otherwise setting forth in reasonable detail (i) the Services
performed by Provider during the prior calendar month, (ii) the applicable test data and test
reports acquired and prepared by Provider for the Services performed hereunder with respect to
the Transmission Line during such month, (iii) a summary of all material improvements to the
Transmission Line, Leased Site and Structural Improvements as identified and recommended by
Provider in the performance of the Planned Maintenance Services and Provider’s proposal for
implementing such improvements, and (iv) a year to date summary of all material improvements
made to the Transmission Line, Leased Site and Structural Improvements.

Section 6.2 Immediately Reportable Events. Provider will

verbally notify Owner as soon as reasonably practicable, and follow such verbal notification

reasonably promptly with a written report, of the following:

(a) switching or operating errors as a result of performing the Services under

this Agreement;

(b) an interruption of service resulting from Services rendered under this

Agreement;

(c) damage, vandalism or sabotage to a Transmission Facility, Leased Site or

Structural Improvements;

(d) receipt of any communication from the NYISO relating to the Services

and/or Transmission Facilities, Leased Site or Structural Improvements, other than those communications normal and necessary to scheduling equipment in and out of service;

18

(e) any OSHA recordable injuries that occur while performing Services with

respect to the Transmission Line, provided that Provider shall also notify appropriate agencies as set forth in Article X; and

(f) discovery or Release of any Hazardous Substances within the Leased Site,

Substation Upgrade Facilities or Property (including, without limitation, related Remediation of such Hazardous Substances located within or outside of the Leased Site, Substation Upgrade Facilities or Property).

Provider agrees to provide to Owner drafts of any and all written reports required to be
submitted to Governmental Authorities in connection with or arising from the events listed in
Section 6.2(a)-(f) above with respect to the Transmission Facilities; Owner, however, shall have
sole responsibility for the submittal or filing of such reports with respect to the Transmission
Facilities.

Section 6.3 Reportable Events. Provider will promptly notify Owner in writing of the following:

(a) its expectation that the estimated monthly expenses will exceed the

Budgeted monthly expenses by 25% or more;

(b) its expectation that the costs to perform Substantial Unplanned

Maintenance Service will exceed their estimate by 25% or more;

(c) any written complaints, litigation, claims, disputes or actions, threatened

or filed, concerning the Transmission Facilities, Leased Site (or neighboring properties),

Structural Improvements or the Services;

(d) any refusal or threatened refusal to grant, renew or extend (or any action

pending or threatened that might affect the granting, renewal or extension of) any license, permit, approval, authorization or consent relating to the Transmission Facilities, Leased Site, Structural Improvements or the Services; and

(e) dispute with any Governmental Authority relating to Owner, Transmission

Facilities, Leased Site, Structural Improvements or the Services.

To the extent that Owner is required by Law (including Environmental Law) to provide written reports to Government Authorities regarding events listed in Section 6.3(a)-(g) above, Provider agrees to provide Owner with the necessary information to facilitate Owner’s preparation and submittal of such reports to Governmental Authorities.

Section 6.4 Other Information. Provider shall prepare and submit to Owner such

other reports and other information as Owner may reasonably request regarding the Services and to remain compliant with applicable Law.

19

ARTICLE VII

EFFECTIVENESS AND TERM

Section 7.1 Term. The initial term of this Agreement shall

commence as of the Effective Date and end on the day before the tenth (10th) anniversary of such date (the “Initial Term”).

At the expiration of the Initial Term, and, if applicable, each Renewal Term, this Agreement shall automatically renew for a subsequent five (5) year period (each a “Renewal Term” and, collectively with the Initial Term, the “Term”) unless (i) sooner terminated in accordance with the terms of this Agreement or (ii) either Party provides written notice to the other Party at least one year prior to the end of the Initial Term or then-current Renewal Term of its intent not to renew, in which event, this Agreement shall terminate upon the expiration of the Initial Term or then-current Renewal Term, as applicable. This Agreement shall cease to apply to Substation Upgrade Facilities, and all provisions hereof relating thereto shall be deemed to be removed (including, without limitation, the provisions of Section 3.4 (b)) if and when the economic value of the Substation Upgrade Facilities is no longer recorded as an intangible/regulatory asset in rate base on Owner’s books.

ARTICLE VIII

BOOKS AND RECORDS; DRAWINGS

Provider will maintain complete and accurate books and records of the Services

performed in connection with the Agreement during the Term in accordance with Good Utility
Practice and Accounting Practice. Provider shall also maintain and retain for such time as Owner may reasonably direct, but, unless required by applicable Law or Accounting Practice, not for
longer than six (6) years, the books and other records needed to document the Direct and Indirect costs Provider incurs as a result of fulfilling its obligations under this Agreement. Each Party
shall respond to the other’s reasonable request for information related to a cost charged by
Provider to Owner by providing the other Party with the information reasonably needed by the
other Party to verify the cost in question.

From time to time, Owner may conduct, and Provider shall permit Owner to conduct or
cause to be conducted by its authorized agents, at Owner’s expense, audits of the books and
records of Provider that relate solely to the services provided under this Agreement. Such audits
will be conducted at Provider’s facilities located at 390 West Route 59, Spring Valley, New
York 10977-5320 or at 71 Dolson Avenue, Middletown, New York 10940 during customary
business hours and at reasonable, mutually agreed upon times, provided that Owner must contest
invoices within six (6) months of receipt and must complete any audit relating to a contested
invoice within a reasonable period of time thereafter. Any adjustment identified to be made as a
result of an audit and that is payable hereunder shall be made to the billing statement next issued
following the conclusion of the audit.

Notwithstanding the foregoing, Provider shall have no responsibility or liability for maintaining Owner’s formal books and records, including drawings, other than field prints and working documents, and Owner assumes full responsibility therefor.

20

ARTICLE IX

RIGHT OF ACCESS

Section 9.1 Provider’s Access. (i) Records Inspection: Owner

hereby authorizes Provider’s authorized employees, contractors, representatives and agents (collectively, “Representatives”) to access any documents, materials, records, accountings, operating logs or other operating data in Owner’s possession at all reasonable times, upon reasonable prior notice, to the extent reasonably related to the performance of Services. Upon Provider’s reasonable request, Owner shall make such records available to such persons or entities, and provide them with such access upon reasonable terms and conditions set forth by the Owner, subject to the requirements of Section 9.1(iii).

(ii) Transmission Line Access. Owner hereby authorizes Provider’s

Representatives access to the Transmission Line at all reasonable times, upon reasonable prior
notice, to the extent that such access is reasonably related to the performance of the Services.
Upon Provider’s reasonable request, Owner shall provide such Transmission Line access upon
reasonable terms and conditions set forth by Owner, subject to the requirements of Section

9.1(iii).

(iii) General Conditions for Access. Owner’s obligation hereunder shall be to

provide Provider’s Representatives adequate and continuous access to all sites where Services
are to be performed. Provider shall use commercially reasonable efforts to cause its
Representatives to comply with Owner’s safety and security procedures, switching and tagging
rules, and escort and other applicable access requirements in connection with exercising the
rights of access granted hereby. Owner shall give prompt notice to Provider of any changes to
Owner’s safety and security procedures, switching and tagging rules, and escort and other
applicable access requirements. Provider shall, prior to any access to Owner’s Transmission
Line for the purposes set forth above, and during the Term of this Agreement, provide and
maintain insurance in the kinds and amounts specified in Article XII hereof.

Notwithstanding anything in this Agreement to the contrary, Owner reserves the right to deny access to Provider’s authorized agents, representatives, contractors and employees, in or around the Transmission Line if, in Owner’s reasonable judgment, such authorized agents, representatives, contractors and employees are:

(a) bringing, using, distributing, selling or possessing illegal drugs or alcoholic beverages at the Transmission Facilities;

(b) unfit for duty at any time during their assignment for any reason, including for being under the influence of alcohol or other drugs; or

(c) otherwise engaged in any improper or unlawful activity.

Furthermore, Owner shall have the authority to suspend Provider’s access, work or
operations (including access, work or operations of any of Provider’s agents, representatives,
contractors and employees) in and around the Transmission Line if, in Owner’s reasonable
judgment, at any time, hazardous conditions arise or any unsafe practices are being followed by

21

Provider’s agents, representatives, contractors and employees and Provider fails to correct such conditions or practices.

Section 9.2 Owner’s Access. (i) Records Inspection. Provider

hereby authorizes Owner’s Representatives to access any documents, materials, records,
accountings, operating logs or other operating data in Provider’s possession at all reasonable
times, upon reasonable prior notice, to the extent such access is reasonably related to the
performance of the Services or otherwise required for the purpose of monitoring or inspecting
work performed for Owner or otherwise affecting Owner’s assets. Upon reasonable request of
Owner, Provider shall make such records available to such persons or entities, and provide them
with such access upon reasonable terms and conditions set forth by Provider, subject to the
requirements of Section 9.2(iii).

(ii) Property and Facility Access. Provider hereby authorizes Owner’s

Representatives to access real property and electric facilities owned by Provider (including, but not limited to, the Substation Upgrade Facilities), at all reasonable times, upon reasonable prior notice to Provider, to the extent that such access is reasonably related to the performance of the Services or otherwise required for the purpose of monitoring or inspecting work performed for Owner or otherwise affecting Owner’s assets, or for purposes of assessing potential future operational needs of Owner. Upon the reasonable request of Owner, Provider shall provide such access to its real property and electric facilities upon reasonable terms and conditions set forth by Provider, subject to the requirements of Section 9.2(iii).

(iii) General Conditions for Access. Owner shall use its commercially

reasonable efforts to cause its Representatives to comply with Provider’s safety and security
procedures, switching and tagging rules, and escort and other applicable access requirements in
connection with exercising the rights of access granted hereby and to conduct any inspection and
review in a manner which causes minimal interference with Provider’s activities. Owner shall,
prior to any access to Provider’s real property or facilities for the purposes set forth above, and
during the Term of this Agreement, provide and maintain insurance in the kinds and amounts
specified in Article XII hereof. Notwithstanding the foregoing provisions of this Section 9.2,
Provider reserves the right to deny access to any person in or around Provider’s real property or
facilities and to any documents, materials, records and accountings relating to the performance of
the Services who is (a) using, distributing, selling or possessing illegal drugs or alcoholic
beverages, (b) unfit for duty at any time during their assignment (including by reason of being
under the influence of alcohol or drugs); or (c) otherwise engaged in any improper or unlawful
activity. Further, Provider may suspend Owner’s access, work or operations in and around
Provider’s real property or facilities if, in Provider’s reasonable judgment, Owner’s
Representatives engage in unsafe practices or create hazardous conditions that are not promptly
corrected. Nothing herein shall alter or modify the rights granted to Owner pursuant to the
Lease.

Section 9.3 Drawings. Provider shall have responsibility for field

prints and working drawings only as they pertain to the Services rendered in respect of the
Transmission Facilities, it being acknowledged that all other official drawings with respect to the
Transmission Line shall be held and maintained (as current and accurate) by Owner in

accordance with Good Utility Practice. Provider agrees to cooperate with and assist Owner in its

22

efforts to maintain such drawings, and each Party agrees to notify the other of any field changes that require updates to plans and drawings held by the other. Official drawings applicable to the Substation Upgrade Facilities shall be held and maintained by Provider in accordance with Good Utility Practice, and Owner shall have access to such drawings upon reasonable notice.

ARTICLE X

SAFETY

The Parties agree to be solely responsible for and assume all liability for the safety and supervision of their own employees, agents, representatives, and subcontractors.

Each Party agrees that all work performed by it under this Agreement shall be performed in accordance with all applicable Law, rules, and regulations pertaining to the safety of persons or property, including compliance with safety regulations and standards adopted under the OSHA as amended from time to time, the National Electric Safety Code (NESC), as amended from time to time, and Good Utility Practice.

Provider shall notify Owner of all safety, OSHA recordable injuries and OSHA
recordable events as set forth in Section 6.2(e). Provider shall provide Owner a copy of all
written reports made to OSHA for events that occur with respect to the Transmission Line.

ARTICLE XI

PERMITS

To the extent permitted by Law, Provider shall obtain all Permits, and all renewals,
revisions, or modifications thereof, as may be necessary, in Provider’s reasonable discretion, to
authorize Provider to perform the Services contemplated by this Agreement. Provider shall
reasonably cooperate with Owner in obtaining any Permits, including renewals, revisions or
modifications thereof, that Owner may be required by Law to obtain directly from or file with
any Governmental Authority regarding the Transmission Facilities, Structural Improvements and
Leased Site. The Parties shall comply with all terms and conditions of such Permits. Unless
Owner is required to do so pursuant to Law, Provider also shall file such reports, notices, and
other communications as may be required by any Governmental Authority regarding the Permits.
Provider shall provide Owner with a copy of all filed reports, notices and/or other
communications related to permits associated with the Transmission Facilities.

ARTICLE XII

INSURANCE

Section 12.1 Required Coverage. During the Term, each Party

shall maintain, at its own cost and expense, commercial general liability, automobile liability, worker’s compensation, and other forms of insurance relating to its operations in connection with the Transmission Facilities and the Services, in the manner and in amounts equal to or in excess of the amounts set forth in Schedule 1 issued by reputable insurance companies with an A.M. Best Rating of at least B+.

Section 12.2 Proof of Coverage. Within fifteen (15) days of the

Effective Date, and each anniversary of the Effective Date, during the Term, (including any

23

extensions), each Party shall provide to the other Party, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by such Party under this Agreement. Certificates of insurance shall provide the following information:

(a) Name of insurance company, policy number and expiration date; and

(b) The coverage required and the limits on each, including the amount of deductibles

or self-insured retentions, which shall be for the account of either Provider or Owner, as applicable, as the party maintaining such policy.

At the other Party’s request, in addition to the foregoing certificates, a Party shall deliver to the requesting Party a copy of applicable sections of each insurance policy.

A Party will provide at least thirty (30) days’ notice of a reduction of liability limits or cancellation or non-renewal of a policy to the other Party.

Section 12.3 Right to Inspect. Each Party shall have the right to

inspect the original policies of insurance applicable to this Agreement at each other’s place of business during regular business hours.

Section 12.4 Terms of Coverage. If any insurance is written on a

“claims made” basis, the Party shall maintain the coverage for a minimum of three years after the termination or expiration of this Agreement.

Section 12.5 Subrogation Waivers. To the extent permitted by the

insurer and commercially reasonable, a Party shall obtain waivers of subrogation in favor of the
other Party from any insurer providing coverage that is required to be maintained under this
Article XII.

Section 12.6 Contractors, Etc. Each Party shall require all

contractors, subcontractors, professional service providers, and equipment suppliers or
manufacturers to maintain insurance in amounts, with carriers and policy amounts approved by
it, for workers compensation, liability, contractors’ liability and such other hazards as set forth in
Schedule 1. Each Party shall be an additional insured on all policies (other than workers’
compensation and professional liability policies) procured by the other Party’s contractors,
subcontractors and equipment suppliers or manufacturers. To the extent permitted by insurer and
commercially reasonable, a Party’s contractor, subcontractors, professional service providers,
and equipment suppliers or manufacturers shall obtain waivers of subrogation in favor of the
Parties from any insurer providing coverage that is required to be maintained under this Article
XII.

ARTICLE XIII

CONFIDENTIALITY

Section 13.1 General. Except to the extent permitted under Section

13.2, each Party will not itself use or disclose (and will not permit the use or disclosure by any of
its, directors, trustees, managers, officers, employees, agents, Affiliates or advisers, consultants,
counsel and public accountants (collectively, “Representatives”)), directly or indirectly, and

24

shall keep (and shall cause its Representatives to keep) in strictest confidence and trust any
Confidential Information of the other Party. “Confidential Information” means any and all
information, including CEII, prepared or delivered to the receiving Party (the “Receiving Party”)
by the disclosing Party (the “Disclosing Party”) or its Representatives (including information or
data received by the Disclosing Party from a third party and as to which the Disclosing Party has
confidentiality obligations), that is (a) marked or designated by the Disclosing Party as

“confidential” or “proprietary;” (b) disclosed orally or visually; provided that such information is
identified at the time of such disclosure as proprietary or confidential, and that within 30 days
thereafter a written summary of such oral or visual disclosure bearing the aforesaid type of label
or legend, is provided to the Receiving Party; or (c) known to the Receiving Party, or should be
known to a reasonable Person given the facts and circumstances of the disclosure, as being
treated as confidential or proprietary by the Disclosing Party. Confidential Information shall not
include information that the Receiving Party can demonstrate: (a) is generally available to the
public other than as a result of a disclosure by the Receiving Party, (b) was in the lawful
possession of the Receiving Party on a non-confidential basis before receiving it from the
Disclosing Party, (c) was independently developed by the Receiving Party without use or

knowledge of the Disclosing Party’s information, or (d) is, or becomes, publicly known, through no wrongful act or omission of the Receiving Party.

Section 13.2 Required Disclosure. Notwithstanding the

obligations of each Party with respect to the Confidential Information pursuant to Section 13.1,

(i) the Receiving Party and its Representatives may use, retain and disclose any such
Confidential Information to any Governmental Authority, including FERC, the Securities and
Exchange Commission, the NYPSC, NPCC, NERC and NYISO but such Receiving Party and its
Representatives will first, as soon as practicable afford the Disclosing Party reasonable
opportunity, at the Disclosing Party’s cost and expense, to seek a protective order or other
reasonably satisfactory assurance of confidential treatment for the Confidential Information
required to be disclosed (in the case of CEII, ensuring that such Confidential Information is
accorded CEII status and is otherwise treated as confidential), (ii) the Receiving Party and its
Representatives may use, retain and disclose any such Confidential Information that has been
publicly disclosed (other than by such Receiving Party or any of its Representatives in breach of
Section 13.1 or this Section 13.2) or has rightfully come into the possession of such Party or any
of its Representatives other than from the other Party or a Person acting on such other Party’s
behalf on a non-confidential basis, (iii) to the extent that the Receiving Party or its

Representatives may have received a subpoena or other written demand under color of legal right
for such Confidential Information, such Party or its Representatives may disclose such
Confidential Information, but such Party will first, as soon as practicable upon receipt of such
demand and unless otherwise prohibited by applicable Law, furnish a copy thereof to the other
Party and, if practicable so long as such Party or its Representatives will not be in violation of
such subpoena or demand or likely to become liable to any penalty or sanctions thereunder,
afford the other Party reasonable opportunity, at such other Party’s cost and expense, to seek a
protective order or other reasonably satisfactory assurance of confidential treatment for the
Confidential Information required to be disclosed, (iv) the Receiving Party or its Representatives
may disclose any such Confidential Information, and make such filings, as may be required by
this Agreement, (v) the Receiving Party or its Representative may disclose any such Confidential
Information if approved by the Disclosing Party for disclosure, and (vi) nothing in Section 13.1
and this Section 13.2 will prevent a Receiving Party from using such Confidential Information

25

for its own internal purposes solely in connection with the exercise of its rights and remedies and
performance of its obligations under this Agreement. Notwithstanding anything in this
Agreement to the contrary, a Party may disclose Confidential Information to its Representatives
in accordance with this Agreement if such Persons have agreed to maintain the confidentiality of
confidential information on terms at least as restrictive as those provided for in this Agreement.

Section 13.3 Termination of the Agreement. Upon termination of

this Agreement for any reason, each Party shall, within thirty (30) days of receipt of a written
request from the other Party, destroy, erase, and/or delete (with such destruction, erasure, and/or
deletion certified in writing to the other Party) or return to the other Party, without retaining
copies thereof (other than those maintained in the ordinary course through electronic backup or
archival information management processes, which may continue to be maintained subject to the
confidentiality restrictions contained herein for the survival period specified below), any and all
written or electronic Confidential Information received from the other Party pursuant to this
Agreement.

Section 13.4 Survival. The restrictions contained in this Article

XIII will survive the termination or expiration of this Agreement for a period of two years from
the date of such termination; provided, however, that (i) Confidential Information that is subject
to a confidentiality obligation imposed by a third party on the Disclosing Party or its Affiliates
by such third party shall be kept confidential by the Receiving Party so long as such third party
confidentiality obligations remain effective, and, provided that the Receiving Party has received
a copy of the written instrument imposing the confidentiality obligation on the Disclosing Party
or its Affiliates; and (ii) the restrictions contained in this Article XIII shall not expire or

terminate with respect to CEII or, with respect to trade secrets, until such time as the information is no longer a trade secret.

Section 13.5 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 XIII. Each Party accordingly agrees that the other Party shall be entitled to equitable
relief, by way of injunction or otherwise, if such Party breaches or threatens to breach its
obligations under this Article XIII, 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 XIII, but shall be in addition to all other remedies available at law or in equity.

ARTICLE XIV

DISPUTE RESOLUTION

Section 14.1 Negotiation.

(a) The Parties will attempt, in good faith, to resolve or cure any dispute,

controversy or claim (a “Dispute”) before initiating any formal legal action at law or in equity to
resolve the same. If either Party believes that a Dispute has arisen, such Party will give written
notice thereof to the other Party, which notice will describe in reasonable detail the basis and
specifics of the claimed Dispute (the “Dispute Notice”). Within five Business Days after
delivery of the Dispute Notice, Owner contact (the “Owner Contact”) and Provider contact (the

26

“Provider Contact”) as listed in Exhibit C to this Agreement will meet (in person or via telephone) to discuss and attempt to resolve or cure such Dispute.

(b) If Owner Contact and Provider Contact are unable to resolve the Dispute

within fifteen (15) days after delivery of the Dispute Notice, the matter will be referred to the
President or Chief Executive Officer (or similar position) of each Party (or such other executive
officer designated by the relevant Party with the power and authority to represent such Person).
The President or Chief Executive Officer of each Party (or such other executive officer

designated by the relevant Party with the power and authority to represent such Person) shall negotiate for a reasonable period of time to settle the Dispute after the Dispute Notice is referred to them; provided that such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed fifteen (15) days from the time of receipt of the Dispute Notice by the President or Chief Executive Officer of each Party (or such other executive officer designated by the relevant Party with the power and authority to represent such Person).

Section 14.2 Non-Binding Mediation.

(a) If any Dispute has not been resolved for any reason after thirty (30) days

have elapsed from the receipt by a Party of a Dispute Notice, such Dispute may, on the written
request (a “Mediation Request”) of a Party thereof, be referred to non-binding mediation
pursuant to the Commercial Mediation Rules (the “Rules”) of the American Arbitration

Association (“AAA”) then in effect. The Parties shall attempt to agree on a mediator for a period of fifteen (15) days following a Party’s issuance of a Mediation Request. If the Parties fail timely to agree on a mediator, either Party may request the AAA to appoint a mediator.

(b) If a Dispute is not resolved for any reason within sixty (60) days of receipt

of the Mediation Request, any Party may bring suit on the Dispute in accordance with Section

20.1 hereof.

(c) In the event of any Dispute with respect to which a Dispute Notice has

been delivered in accordance with Section 14.1, and if mediation proceedings are initiated
pursuant to this Section 14.2, during sixty (60) days following receipt of the Dispute Notice (i) a
Party shall not assert the defenses of statute of limitations and laches with respect to the period
beginning after the date of receipt of the Dispute Notice, and (ii) any contractual time period or
deadline under this Agreement to which such Dispute relates occurring after the Dispute Notice
is received shall not be deemed to have passed until such Dispute has been resolved. Nothing
said or disclosed, nor any document produced, in the course of any negotiations, conferences and
discussion in connection with efforts to settle a Dispute that is not otherwise independently
discoverable shall be offered or received as evidence or used for impeachment or for any other
purposes in any suit, but shall be considered to have been disclosed for settlement purposes.

Section 14.3 Continuation of Work. Pending resolution of any

Dispute pursuant to Section 14.1or Section 14.2, or pursuant to a binding award or

determination of a court or in an arbitral proceeding, the Parties will continue to fulfill their
respective obligations under this Agreement; provided that the applicable Party may withhold
any amount that is the subject of the Dispute from any payment otherwise due under this
Agreement during the pendency of any Dispute resolution proceeding. Upon resolution of the

27

Dispute, any Party found owing an amount will promptly pay to the other Party any amount
determined to be due, plus interest on the outstanding amount computed at the Federal Funds
Rate plus 150 basis points from the date the amount became due hereunder until the amount is
paid in full. A Party’s undertaking to continue to fulfill its obligations under this Agreement
pursuant to this Section 14.3 shall not override its right to terminate this Agreement as provided
in Article XVI hereof.

ARTICLE XV

FORCE MAJEURE

Section 15.1 Excused Performance. If either Owner or Provider is

rendered wholly or partially unable to perform some or all of its obligations under this
Agreement (other than payment obligations) due to a Force Majeure Event, then the Party
affected by such Force Majeure Event shall be excused from whatever performance is impaired
by such Force Majeure Event, provided that the affected Party promptly, upon learning of such
Force Majeure Event and ascertaining that it will affect its performance hereunder, (i) gives
written notice to the other Party stating the nature of the Force Majeure Event, its anticipated
duration, and any action being taken to avoid or minimize its effect, and (ii) uses its

commercially reasonable efforts to remedy its inability to perform. A Force Majeure Event shall not be deemed to have occurred or to be continuing unless the Party claiming Force Majeure complies with the requirements of this Article XV. The suspension of performance shall be for the duration of the applicable Force Majeure Event. No obligations of either Party which arose before the Force Majeure Event causing the suspension of performance and which could and should have been fully performed before such Force Majeure Event occurred shall be excused as a result of such Force Majeure Event. The burden of proof shall be on the Party asserting excuse from performance due to a Force Majeure.

Section 15.2 Alternate Contractors. Owner shall have the right,

upon written notice to Provider and at its sole cost and expense, to obtain alternate contractors to
perform the Services during any Force Majeure Event that prevents or delays Provider’s
performance hereunder if the Force Majeure Event has or, in Owner’s reasonable judgment,
threatens to have an adverse effect on Owner’s ability to conduct its operations (an “Alternate
Contractor”); provided that Provider shall have no liability to Owner in respect of Services
performed by an Alternate Contractor. Owner shall ensure that any Alternate Contractor
obtained pursuant to this Section 15.2 agrees to comply with the terms and conditions of Article
IX hereof applicable to the Provider while performing the Services in a Provider facility and
shall remain liable to Provider in respect of any Alternate Contractor’s performance in
accordance with Section 18.1.

ARTICLE XVI

TERMINATION

Section 16.1 Termination for Convenience. Either Party may

terminate this Agreement (as it relates to the Transmission Line only) without cause, at any time
for any reason by giving notice in writing to the other Party at least one (1) year in advance of
the termination being effective (such termination to be effective upon the date set forth in the
written notice); provided, however, that Owner may not terminate its obligation to pay O&M

28

expenses, including insurance costs and property taxes, allocable to the Substation Upgrade
Facilities until such time as Owner no longer has the Substation Upgrade Facilities’ investment
in rate base.

Section 16.2 Immediate Termination by Owner. Owner may

terminate this Agreement immediately (a) if Provider (i) enters into any voluntary or involuntary bankruptcy proceeding or receivership; (ii) makes a general assignment for the benefit of its creditors, other than Owner, or (b) upon the occurrence of a Force Majeure Event that is not remedied within ninety (90) days of its initial occurrence.

Section 16.3 Termination Upon Notice by Owner. Owner may

terminate this Agreement (as it relates to the Transmission Line only) upon ten (10) days’ prior
written notice to Provider in the event that Provider (i) materially violates any material Law
applicable to the Services, and Provider does not cure such violation within thirty (30) days of
Provider’s receipt of a notice from Owner demanding cure (or, if not curable within thirty (30)
days, within such period of time as is reasonably necessary, but in no event more than forty-five

(45) days, provided Provider diligently commences and pursues such cure), or (ii) fails to timely
perform any of its material obligations under this Agreement and such failure is not cured within
forty-five (45) days of Provider’s receipt of a notice from Owner demanding cure (or, if not
curable within forty-five (45) days, within such period of time as is reasonably necessary, but in
no event more than ninety (90) days; provided, that Provider diligently commences and

continues to pursue such cure). Owner may not terminate this Agreement, including for cause, as it relates to the Substation Upgrade Facilities (and, in particular its obligation to pay operation and maintenance expenses, including insurance costs and property taxes allocable to the Substation Upgrade Facilities) until such time as Owner’s investment in such Substation Upgrade Facilities is no longer in Owner’s rate base.

Section 16.4 Termination by Provider. Provider may terminate

this Agreement for cause upon fifteen (15) days’ prior written notice to Owner if Owner (i)
enters into any voluntary or involuntary bankruptcy proceeding or receivership; (ii) makes a
general assignment for the benefit of its creditors, other than Provider, or (iii) fails to perform in
a timely manner any of its material obligations under this Agreement and such failure is not
cured within thirty (30) days of Owner’s receipt of a notice from Provider demanding cure (or, if
not curable within thirty (30) days, within such period of time as is reasonably necessary, but in
no event more than forty-five (45) days provided that Owner diligently commences and

continues to pursue such cure).

Section 16.5 Payments to Provider upon Termination by Owner. If

the Agreement is terminated for any reason, Provider shall be compensated for all documented
Direct Costs and Indirect Costs incurred by Provider to and including the date of termination and
for all Termination Costs. Such payments shall be made by Owner within thirty (30) days of
receipt of a final, accurate invoice from Provider. Notwithstanding anything in this Agreement to
the contrary, in the event of a termination of this Agreement by Owner under Section 16.3,
Owner may apply or set off amounts due or allegedly due to Provider from Owner under this
Agreement against any claims for damages that Owner may have under, in connection with or
arising out of Section 16.3.

29

Section 16.6 Effectiveness of Termination. Notwithstanding

Sections 16.1 through 16.4 hereof, no termination of this Agreement shall become effective until the Parties have complied with all Laws applicable to such termination.

Section 16.7 Condition of Transmission Line At End Of Term.

Upon expiration or termination of this Agreement, Provider shall remove its personnel, including
contractors and subcontractors, from the Transmission Line. Provider shall leave the
Transmission Line in safe condition in accordance with Good Utility Practice, provided,
however, that Provider (i) is not required to leave such Transmission Line in any better condition
than is otherwise required under the other terms of this Agreement, and (ii) all reasonable Direct
and Indirect Costs incurred by Provider in complying with this provision shall be paid by Owner.
All special tools, improvements, inventory of supplies, spare parts, safety equipment, operating
and procedure manuals, operating logs, records and documents paid for by Owner and
maintained by Provider for the Transmission Line will, as determined by Owner, be left at the
location of the applicable Transmission Facility or provided to Owner at its business office, and
remain the property of Owner without additional charge. Owner shall also have the right, but not
the obligation, in its sole discretion, to directly assume any contracts entered into by or
obligations of Provider solely in connection with the Services for Transmission Line (but only to
the extent such assumption is permitted under such contracts and otherwise in accordance
therewith), provided Owner also expressly assumes in writing sole liability under such contracts
for matters arising in connection with activities undertaken by Owner after the effective date of
the assignment. Provider, at Owner’s cost, shall cooperate in taking all reasonable steps
requested by Owner as required to effect the assignment of the contracts and to mitigate potential
disruption of the operation, maintenance and management of the Transmission Facilities. To the
fullest extent allowed by applicable Law, Owner shall indemnify, defend and hold Provider
harmless from and against all liabilities arising under or in connection with any such assigned
contract to the extent such costs, damages and liabilities arise after the effective date of the
assignment of such contract to Owner.

ARTICLE XVII

LIMITATION ON LIABILITY,
REMEDIES AND SURVIVAL

Section 17.1 Limitation of Liability.

(a) CONSEQUENTIAL AND INDIRECT DAMAGES.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, AND
EXCEPT TO THE EXTENT OF AN INDEMNIFYING PARTY’S OBLIGATIONS UNDER
ARTICLE 18 TO INDEMNIFY THE OTHER PARTY FOR DAMAGES ACTUALLY PAID
TO AN UNAFFILIATED THIRD PARTY IN RESPECT OF A CLAIM SUBJECT TO
INDEMNIFICATON UNDER ARTICLE 18, SUBJECT TO, IN THE CASE OF THE
PROVIDER, THE CAP IN SECTION 18.2, NO PARTY OR ITS AFFILIATES, NOR ITS OR
THEIR DIRECTORS, TRUSTEES, MEMBERS, OFFICERS, MANAGERS, EMPLOYEES,
AGENTS OR REPRESENTATIVES, WILL BE LIABLE UNDER OR IN CONNECTION
WITH THIS AGREEMENT FOR ANY PUNITIVE, SPECIAL, LOST PROFIT,
EXEMPLARY, MULTIPLE, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES
INCLUDING IN CONNECTION WITH OR ARISING FROM ANY PERFORMANCE OR

30

LACK OF PERFORMANCE UNDER THIS AGREEMENT, REGARDLESS OF WHETHER

(X) ANY SUCH DAMAGES CLAIM IS BASED ON CONTRACT, WARRANTY, TORT
(INCLUDING NEGLIGENCE), STRICT LIABILITY, VIOLATION OF ANY APPLICABLE
DECEPTIVE TRADE PRACTICES ACT OR ANY OTHER LEGAL OR EQUITABLE
PRINCIPLE, OR (Y) SUCH DAMAGES WERE REASONABLY FORESEEABLE, OR (Z)
THE PARTIES WERE ADVISED OR AWARE THAT SUCH DAMAGES MIGHT BE
INCURRED.

(b) Notwithstanding anything in this Agreement to the contrary, neither Party

shall be responsible for any failure or inability to perform hereunder to the extent such failure or
inability is caused by the acts or omissions of the other Party (including any contractor of such
Party or any Person or entity for whom such Party is legally responsible) or of any third party
(other than a subcontractor or agent of the Party that is unable or failing to perform hereunder).

For the avoidance of doubt, Provider shall have no responsibility or liability under this
Agreement for any delay in performance or nonperformance to the extent such delay in
performance or nonperformance is caused by or as a result of (a) the inability or failure of Owner
or its contractors to reasonably cooperate or to perform any tasks or responsibilities
contemplated to be performed or undertaken by Owner under this Agreement, or (b) any valid
order or ruling by any Governmental Authority having jurisdiction over the subject matter of this
Agreement.

If and to the extent a Party is required or prevented or limited in taking any action or
performance with respect to this Agreement by any applicable Law(s), such Party shall not be
deemed to be in breach of this Agreement as a result of such compliance with the applicable
Law(s).

(c) DISCLAIMERS/EXCLUSIVITY OF WARRANTIES. PROVIDER IS

NOT IN THE BUSINESS OF PERFORMING OPERATION, MAINTENANCE AND
EMERGENCY SERVICES FOR PROFIT AND IS NOT RECEIVING ANY FEE OR PROFIT
(AS CONTRASTED WITH REIMBURSEMENT FOR ACTUAL DOCUMENTED DIRECT
AND INDIRECT COSTS) FOR ITS PERFORMANCE OF THE WORK HEREUNDER. THE
EXCLUSIVE REMEDY GRANTED TO OWNER FOR ANY ALLEGED FAILURE OF
PROVIDER TO MEET THE PERFORMANCE STANDARDS OR REQUIREMENTS
CONTAINED IN THIS AGREEMENT IS AS SET FORTH IN SECTION 3.3 HEREOF.
EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY EQUIPMENT, MATERIALS
OR OTHER ASSETS THAT MAY BE TRANSFERRED UNDER THIS AGREEMENT ARE
BEING TRANSFERRED “AS IS, WHERE IS”. PROVIDER, AND IN THE CASE OF A
TRANSFER OF ANY EQUIPMENT, MATERIALS OR ASSETS BY OWNER HEREUNDER,
OWNER, MAKES NO WARRANTIES, REPRESENTATIONS (EXCEPT AS NOTED IN
ARTICLE XIX HEREOF), OR GUARANTEES IN CONNECTION WITH THIS
AGREEMENT, ANY EQUIPMENT, MATERIALS OR ASSETS TRANSFERRED, OR ANY
SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT, WHETHER
WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY
WARRANTIES, REPRESENTATIONS (EXCEPT AS NOTED IN ARTICLE XIX HEREOF),
OR GUARANTEES WITH RESPECT TO QUALITY, WORKMANSHIP, CONDITION OR
SAFETY OF ANY EQUIPMENT, MATERIALS OR ASSETS TRANSFERRED UNDER

31

THIS AGREEMENT, AND ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR
FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY EXPRESSLY
EXCLUDED AND DISCLAIMED. EACH PARTY ACKNOWLEDGES AND AGREES
THAT ANY WARRANTIES PROVIDED BY ORIGINAL MANUFACTURERS,
LICENSORS, OR PROVIDERS OF MATERIAL, EQUIPMENT, SERVICES OR OTHER
ITEMS PROVIDED OR USED IN CONNECTION WITH THE SERVICES PERFORMED
HEREUNDER OR TRANSFERRED HEREUNDER, INCLUDING ITEMS INCORPORATED
IN THE SERVICES (“THIRD PARTY WARRANTIES”) ARE NOT TO BE CONSIDERED
WARRANTIES OF EITHER PROVIDER OR OWNER AND NEITHER MAKES ANY
REPRESENTATIONS, GUARANTIES OR WARRANTIES AS TO THE APPLICABILITY
OR ENFORCEMENT OF ANY SUCH THIRD PARTY WARRANTIES. PROVIDER SHALL
USE REASONABLE EFFORTS TO PERFORM ALL SERVICES IN A MANNER THAT
PRESERVES THIRD PARTY WARRANTIES AND SHALL ASSIGN SUCH WARRANTIES
TO OWNER, TO THE EXTENT ASSIGNABLE, ON OR AS PROMPTLY FOLLOWING THE
DATE ON WHICH THIS AGREEMENT EXPIRES OR TERMINATES.

(d) The provisions expressed in this Article XVII will survive the termination,

cancellation or expiration of this Agreement.

ARTICLE XVIII

INDEMNIFICATION

Section 18.1 Indemnification of Provider. To the fullest extent

permitted by applicable Law and except to the extent Owner or the Owner Parties are entitled to
indemnification under Section 18.2, Owner shall defend, indemnify and hold harmless Provider,
its Affiliates and its and their respective members, partners, trustees, directors, managers,
officers, employees, agents and representatives (the “Provider Parties”) from and against any
and all liabilities, damages, losses, costs, expenses (including reasonable attorneys’ fees and
disbursements), claims, demands, suits, causes of action, liens, penalties, obligations or
judgments of any nature, including for death, personal injury, and property damage (collectively,
“Losses”) incurred or sustained by Provider or any Provider Party to the extent arising from or
related to (i) any act or omission of Owner or any Owner Party related to the Services or this
Agreement or (ii) the performance of Services by Provider; except, in either case, to the extent
such Losses arise from or relate to the gross negligence, fraud or willful misconduct of Provider
or any Provider Party as finally determined by a court of competent jurisdiction.

Section 18.2 Indemnification by Provider. To the fullest extent

permitted by applicable Law, Provider shall indemnify, defend and hold harmless Owner, its
Affiliates and its and their respective members, partners, trustees, directors, managers, officers,
employees, agents and representatives, including any Alternate Contractor (the “Owner

Parties”) from and against any and all Losses incurred or sustained by Owner or any Owner
Party to the extent arising from or related to (i) the gross negligence, fraud or willful misconduct
of Provider or any Provider Party in connection with the Services as finally determined by a
court of competent jurisdiction and (ii) acts of discrimination, harassment, retaliation, defamation
or other intentional torts committed by Provider or any Provider Party. The indemnification
obligation of Provider under this Section 18.2 for each event giving rise to such obligation shall

32

be capped at the total of net payments for Services received by Provider from Owner under this Agreement during the 12 month period preceding such event.

Section 18.3 Notification of Claim. As soon as is reasonably

possible following receipt of any claim or notice of the commencement of any action,
administrative or legal proceeding or investigation or any other discovery of facts or conditions
that could reasonably be expected to give rise to a Loss or Losses for which indemnification is
provided hereunder, the indemnitee (the “Indemnified Party” or the “Indemnified Parties”) shall
promptly notify the party or parties liable for such indemnification (the “Indemnifying Party”) in
writing of the facts and circumstances relating to such Loss or Losses and the amount (or good
faith estimate of the amount) thereof; provided, however, that the failure to provide such notice
shall not release the Indemnifying Party from its obligations under this Article XVIII, except to
the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 18.4 Indemnification Procedures; Defense of Claims. (a)

Third Party Claims. Upon receipt of notice of a claim by the office of the General Counsel or
such other chief legal officer of the Indemnifying Party for indemnity from an Indemnified Party
pursuant to Section 18.3, the Indemnifying Party shall have the right to assume the defense and
control any claim arising out of or involving a claim or demand made by a third party against an
Indemnified Party (a “Third Party Claim”), but shall allow the Indemnified Party a reasonable
opportunity to participate in the defense of such Third Party Claim with its own counsel and at
its own expense; provided that if the Indemnifying Party and the Indemnified Party are both
named parties to the proceedings and, in the reasonable opinion of counsel to the Indemnified
Party, representation of both parties by the same counsel would be inappropriate due to actual or
potential conflict between them, then, the applicable Indemnified Parties shall be entitled to
participate in, but not control, any such defense with one separate counsel at the reasonable
expense of the Indemnifying Party. The Indemnifying Party shall select counsel of recognized
standing and competence after consultation with the Indemnified Party and shall take all
reasonably necessary steps in the defense or settlement of such Third Party Claim. The
Indemnifying Party shall be authorized to consent to a settlement of, or the entry of any
judgment arising from, any Third Party Claim, without the consent of any Indemnified Party (not
to be unreasonably withheld, delayed or conditioned), provided that the Indemnifying Party shall

(i) pay or cause to be paid all amounts arising out of such settlement or judgment concurrently
with the effectiveness of such settlement, (ii) ensure that such settlement does not encumber any
of the material assets of any Indemnified Party or agree to any restriction or condition that would
apply to or materially adversely affect any Indemnified Party or the conduct of any Indemnified
Party’s business, (iii) obtain, as a condition of any settlement or other resolution, a complete
release of any Indemnified Party potentially affected by such Third Party Claim, and (iv) ensure
that the settlement does not include any admission of wrongdoing or misconduct on the part of
the Indemnified Party.

(b) Non-Third Party Claims. In the event any Indemnifying Party receives a

notice of a claim by the office of the General Counsel or such other officer of the Indemnifying
Party for indemnity from an Indemnified Party pursuant to Section 18.3 that does not involve a
Third Party Claim, the Indemnifying Party shall notify the Indemnified Party within thirty (30)
days following its receipt of such notice if the Indemnifying Party disputes its liability to the
Indemnified Party under this Section 18. If the Indemnifying Party does not so notify the

33

Indemnified Party, then the claims specified by the Indemnified Party in such notice shall be conclusively deemed to be a liability of the Indemnifying Party under this Section 18, and the Indemnifying Party shall pay the amount of such liability to the Indemnified Party on demand or, in the case of any notice in which the amount of the claim (or any portion of the claim) is estimated, on such later date when the amount of such claim (or such portion of such claim) becomes finally determined subject in all cases to the limitation on liability applicable thereto as set forth herein. If the Indemnifying Party has timely disputed its liability with respect to such claim as provided above, then the Indemnifying Party and the Indemnified Party shall resolve such dispute in accordance with Article XIV.

Section 18.5 Indemnification Amount. Any amount owing to an

Indemnified Party for Losses under this Articles XVIII shall be determined net of any insurance or other recovery by an Indemnified Party with respect to such Losses (net of all reasonable expenses incurred by the Indemnified Party in recovering such proceeds).

Section 18.6 Survival. The provisions expressed in this Article

XVIII shall survive termination, cancellation or expiration of this Agreement.

ARTICLE XIX

REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to each other Party that, as of the date of this
Agreement: (a) such Party is duly organized, validly existing and in good standing under the
laws of the State of New York, and has full power and authority to own its own properties and
to carry on its business as it is now being conducted and as proposed to be conducted, (b) such
Party has the full power and authority to execute, deliver and perform this Agreement and to
carry out the transactions contemplated hereby; (c) the execution, delivery and performance of
this Agreement by such Party and the carrying out by such Party of the transactions
contemplated by this Agreement have been duly authorized by all requisite corporate or limited
liability company action, as applicable, and this Agreement has been duly executed and delivered
by such Party and constitutes the legal, valid and binding obligation of such Party, enforceable
against the Party in accordance with its terms, subject to applicable bankruptcy, insolvency,
fraudulent conveyance, reorganization, moratorium, and other similar laws now or hereafter in
effect affecting creditors’ rights and remedies generally and subject, as to enforceability, to
general principles of equity, including principles of commercial reasonableness, good faith and
fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); (d)
except for those required in connection with the specific performance of the Services during the
term of this Agreement (including as provided in Section 20.3), no authorization, consent, notice
to or registration or filing with any Governmental Authority is required for the execution,
delivery and performance by such Party of this Agreement; (e) none of the execution, delivery
and performance by such Party of this Agreement conflicts with or will result in a breach or
violation of any material Law, contract or instrument by which such Party is bound or assets
affected; and (f) there are no legal or arbitral proceedings by or before any Governmental
Authority, now pending or (to the knowledge of such Party) threatened, that if adversely
determined would reasonably be expected to have a material adverse effect on such Party’s
ability to perform its obligations under this Agreement.

34

Provider further represents and warrants that to Providers Knowledge, no material Release or material violation of Environmental Law exists with respect to the Substation Upgrade Facilities on the Effective Date. "Provider’s Knowledge" means to the knowledge of Gwen Keeble (Orange and Rockland Utilities, Inc. - Section Manager, Environmental Services), Brian Brush (CECONY - Section Manager, EH&S - Engineering and Construction), and Nancy Nancy Flynn (CECONY - Project Specialist, EH&S - Engineering and Construction) based on their review of reasonably available documents and information. Owner shall have no liability for any violation of Environmental Law or Release with respect to the Substation Upgrade Facilities existing on or prior to the Effective Date.

ARTICLE XX

MISCELLANEOUS

Section 20.1 Governing Law. This Agreement will be governed by and interpreted in
accordance with applicable federal Law and the Laws of the State of New York without regard to
such State’s conflicts of law principles. Each of the Parties hereto hereby irrevocably consents to
non-exclusive jurisdiction of the courts of the State of New York and of any federal court located
therein in connection with any suit, action or other proceeding arising out of or relating to this
Agreement or the transactions contemplated hereby; agrees to waive any objection to venue in
the State of New York; and agrees that, to the extent permitted by law, service of process in
connection with any such proceeding may be effected by mailing same in the manner provided in
Section 20.4.

Section 20.2 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM BY THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 20.3 Required Regulatory Approvals. The obligations of each Party under this
Agreement are expressly contingent upon (i) each Party receiving all licenses, permits,

permissions, certificates, approvals, authorizations, consents, franchises and releases from any
local, state, or federal regulatory agency or other governmental agency or authority (which may
include as applicable, FERC, the NYISO and the NYPSC) or any other third party that may be
required for such Party in connection with the performance of such Party’s obligations under or
in connection with this Agreement (the “Required Approvals”), and (ii) each Required Approval
being granted without the imposition of any modification or condition of the terms of this
Agreement or the subject transactions, unless such modifications(s) or condition(s) are agreed to
by both Parties in their respective sole discretion, and (iii) all applicable appeal periods with
respect to the Required Approvals having expired without any appeal having been made or, if
such an appeal has been made, a full, final and non-appealable determination having been made
regarding same by a court or other administrative body of competent jurisdiction, which
determination disposes of or otherwise resolves such appeal (or appeals) to the satisfaction of
both Parties in their respective sole discretion.

35

Section 20.4 Notices. Any notice given under this Agreement will be in writing and
delivered by personal service, by certified or registered first class mail, return receipt requested,
by nationally recognized overnight courier, or by facsimile or email with a copy, in the case of
facsimile or email, by first class mail, to the addresses specified on Schedule 2. Either Party
may change the addresses provided on Schedule 2 by notifying the other Party in the manner
provided above. In the case of personal delivery, certified or registered first class mail, or
nationally recognized overnight courier, such transmittal will be deemed to have been received
by the recipient party on the date of such delivery. In the case of delivery via facsimile or
electronic mail, the transmittal shall be deemed to have been received on the date of transmission
by facsimile or electronic mail. Any notice received on a day that is not a Business Day, or after
5:00 p.m. (New York City time) on a Business Day, shall be deemed to be received on the next
following Business Day.

Section 20.5 Entire Agreement. This Agreement (including all Schedules and Exhibits hereto, as may be amended from time to time), constitutes the entire agreement and understanding of the Parties with respect to the subject matter hereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter.

Section 20.6 Amendment. The Parties agree that the Exhibits and Schedules attached hereto may be revised by mutual agreement by the duly authorized representative of the Parties from time to time without the necessity of an amendment to this Agreement. Except as expressly set forth in this Section 20.6, this Agreement may not be modified or amended except in a writing, signed on behalf of each Party by its duly authorized representative.

Section 20.7 Third Party Beneficiaries. Except as expressly set forth in Article XVIII, this Agreement is intended to be solely for the benefit of the Parties and their successors and permitted assignees and is not intended to and will not confer any rights or benefits to the general public or any other third party not a signatory to this Agreement.

Section 20.8 Relationship of the Parties. It is not the intention of the Parties to create, nor will this Agreement be deemed to create, any partnership, agency, joint venture or trust, or to authorize any Party or its subcontractors to act as an agent, servant or employee for any other Party. Each Party shall remain solely responsible for the actions of its own employees, subcontractors and agents. Each Party shall be responsible for its own covenants, obligations and liabilities as herein provided. No Party shall be under the control of or shall be deemed to control any other Party. No Party shall be the agent of or have a right or power to bind any other Party without its express written consent.

Section 20.09 Waiver. No right under this Agreement may be waived by a Party, except
pursuant to a writing signed by the Party against which enforcement of the waiver is sought.
Without limitation, no failure or delay on the part of any Party in exercising any of its rights
under this Agreement, no partial exercise by any Party of any of its rights under this Agreement,
and no course of dealing among the Parties, will constitute a waiver of the rights of a Party.

Section 20.10 Severability. Any provision of this Agreement that will be prohibited or
unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such
prohibition or unenforceability without invalidating the remaining provisions of this Agreement

36

and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable Law, the Parties hereby waive any provision of Law that renders any provision of this Agreement prohibited or unenforceable in any respect.

Section 20.11 Assignment. Neither Party may assign its rights or obligations under this
Agreement without the prior written consent of the other Party hereto, which consent shall not be
unreasonably withheld, delayed or conditioned, except that (A) Owner may assign its rights or
obligations hereunder to a purchaser (including an Affiliate) who will own all or substantially all
of the Transmission Facilities and become a tenant under the Lease and who agrees in writing to
assume and be bound by all of the provisions of this Agreement, and (B) Provider may assign its
rights or obligations hereunder to a purchaser (including an Affiliate) who will own some or all
of Provider’s transmission assets and who agrees in writing to assume and be bound by all of the
provisions of this Agreement provided, however, that in the case of clause (A) and (B), the
proposed assignee is: (1) a reputable entity having a net worth computed in accordance with
generally accepted accounting principles which evidences, in the non-assigning Party’s
reasonable discretion, the assignee’s financial ability to meet its obligations hereunder, and (2)
not entitled, directly or indirectly, to diplomatic or sovereign immunity and shall be subject to
the service of process in, and the jurisdiction of the courts of, New York State. Notwithstanding
anything to the contrary contained in this Section 20.11 or elsewhere in this Agreement, Owner
may, upon notice to Provider, collaterally assign and/or grant a security interest in this
Agreement to any holder of a mortgage or any other security instrument encumbering the
Transmission Line, provided, however, that no such collateral assignment may amend or purport
to amend any term or condition of this Agreement, or impose or seek to impose any additional
obligations or responsibilities on Provider.

Section 20.12 Transfers. During the Term of this Agreement, from time to time in
connection with the Services and subject to the receipt of any Required Approvals, title to
equipment, materials or assets may be transferred from Owner to Provider, or from Provider to
Owner, (the entity making such transfer, the “Transferor” and the entity to which the transfer is
made, the “Transferee”). The Transferor warrants and represents to the Transferee that title to
all such transferred equipment, materials and assets shall pass free and clear of any and all liens,
claims, rights, charges, or encumbrances of any nature whatsoever, including any liens under any
first mortgage indenture or other financing agreement of the Transferor. The Transferor hereby
covenants and agrees, for the benefit of the Transferee, that the Transferor will, for the
Transferee and its successors and assigns, warrant and forever defend, at the Transferor’s sole
cost and expense, the right, title, and interest of the Transferee and its successors and assigns in
and to the transferred equipment, materials and assets against the lawful claims and demands of
all persons. Matters relating to warranties, representations and guarantees in connection with the
transfer of equipment, materials and assets under this Agreement shall be governed by Section

17.1(c) hereof.

Section 20.13 Binding Effect. The terms of this Agreement will be binding upon, and inure to the benefit of, the Parties and their successors and permitted assigns.

37

Exhibit A

List of Transmission Facilities

A. Transmission Line

Approximately 11.8 miles of additional installation of 345 kV feeder 76 between 345 kV

Sugarloaf substation and 345 kV Rock Tavern substation utilizing existing double circuit

structures currently supporting 345 kV feeder 77. New 345 kV feeder 76 shall be connected at 345 kV Rock Tavern substation to an existing position currently occupied by 345 kV feeder 7 The existing 345 kV feeder 77 shall be re-connected to a new 345 kV Bay.

B. Substation

New O&R 345 kV Sugarloaf substation installed in the vicinity of the existing 138 kV Sugarloaf substation. The new 345 kV Sugarloaf substation will consist of a step-down 345/138 kV transformer, associated new 345 kV switching equipment and ancillary
facilities. The 345 kV connections to the transformer will be tapped off 345 kV feeder 76. The 138 kV side of the new 345/138 kV step-down transformer should be connected to the existing spare feeder position in 138 kV Sugarloaf substation.

Substation Upgrade Facilities:

One, 345/138kV, 400 MVA Autotransformer

One, 345 kV, Motor Operated Disconnect Switch, rated at 3000 A nominal

One, 345 kV, Dead Tank Type SF6 Circuit Breaker rated at 3000 A nominal and 63 kA

symmetrical fault current

New Control/Relay House with associated Relays, Batteries, RTU equipment and associated equipment,

345 kV H-frames with Lightning Arrestors, as required

One, 345 kV CCVT

Three, 345 kV PTs

345 kV Air Insulated Rigid Aluminum Bus as required 138 kV Take-off Structures, as required

One, 138 kV Disconnect Switch, rated 3000 A nominal One, 138 kV PT

138 kV Air Insulated Rigid Aluminum Bus as required.

Any other assets located within the substation fence and the fence itself Substation Landscaping

Substation Driveway

Exhibit B

Transco/NYISO Operating Agreement

Service Agreement No. 2271

SERVICE AGREEMENT NO. 2271

OPERATING AGREEMENT
 BETWEEN THE

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
 AND

NEW YORK TRANSCO LLC
 Dated as of May 23, 2016

Service Agreement No. 2271

OPERATING AGREEMENT

Table of Contents

Page

ARTICLE 1.0: DEFINITIONS 3

1.01 Capitalized Terms 3

ARTICLE 2.0: RESPONSIBILITIES OF THE NTO 4

2.01 Transmission Facilities 4

2.02 Transmission System Operation 4

2.03 Local Area Transmission System Facilities 4

2.04 Safe Operations 5

2.05 Local Control Center, Metering and Telemetry 5

2.06 Security Constrained Unit Commitment Adjustments 6

2.07 Design, Maintenance and Rating Capabilities 7

2.08 Maintenance Scheduling 7

2.09 NERC Registration 7

2.10 Investigations and Restoration 8

2.11 Information and Support 8

2.12 Performance of Obligations by Third Parties 8

ARTICLE 3.0: RESPONSIBILITIES OF THE ISO 9

3.01 Operation and Coordination 9

3.02 Tariff Administration and Performance of Responsibilities Under ISO Related

Agreements 9

3.03 Granting of Authority 9

3.04 Collection and Billing 10

3.05 Proposed Material Modifications to the NYS Power System 11

3.06 OASIS 11

3.07 NERC Registration 11

3.08 NTO’s Reserved Rights 11

3.09 Retention of Non-Transferred Obligations 14

ARTICLE 4.0: ASSIGNMENT 15

4.01 Assignments by the NTO or the ISO 15

i

Service Agreement No. 2271

ARTICLE 5.0: LIMITATION OF LIABILITY AND INDEMNIFICATION 16

5.01 Limitations of Liability 16

5.02 Additional Limitations of Liability 16

5.03 Indemnification 16

5.04 Force Majeure 17

5.05 Claims by Employees and Insurance 18

5.06 Survival 18

ARTICLE 6.0: OTHER PROVISIONS 19

6.01 Term and Termination for Cause 19

6.02 Termination by Election 20

6.03 Obligations after Termination 20

6.04 Winding Up 21

6.05 Confidentiality 21

6.06 Governing Law; Jurisdiction 23

6.07 Headings 23

6.08 Mutual Agreement 24

6.09 Contract Supremacy 24

6.10 Additional Remedies 24

6.11 No Third Party Rights 24

6.12 Not Partners 24

6.13 Waiver 25

6.14 Modification Generally 25

6.15 Modifications Related to Docket No. ER13-102 25

6.16 Counterparts 26

ii

Service Agreement No. 2771

OPERATING AGREEMENT

THIS OPERATING AGREEMENT (“Agreement”) is made and entered into this 23rd
day of May, 2016, by and between New York Transco LLC, a non-incumbent transmission
owner organized and existing as a limited liability company under the laws of the State of New
York (“NTO”), and the New York Independent System Operator, Inc., a not-for-profit
corporation organized and existing under the laws of the State of New York (“ISO”). The NTO
and the ISO each may be referred to as a “Party” or collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, the ISO is an independent system operator that is responsible under its
Open Access Transmission Tariff (“ISO OATT”) and its Market Administration and Control
Area Services Tariff (“ISO Services Tariff”) as they may be amended from time to time
(collectively, “ISO Tariffs”), and the ISO Related Agreements, filed with and accepted by the
Federal Energy Regulatory Commission (“Commission”), for providing non-discriminatory,
open access transmission service, maintaining reliability, performing system planning, and
administering competitive wholesale markets for energy, capacity, and ancillary services in New
York State;

WHEREAS, the NTO is the owner of certain transmission facilities specified herein that are integrated with the NYS Transmission System and the NTO has fiduciary responsibilities to its investors to assure, among other things, the receipt of adequate revenues to maintain its
transmission facilities, a reasonable rate of return on its transmission facilities, and to provide for recovery of the capital invested in its transmission facilities;

1

Service Agreement No. 2771

WHEREAS, the NTO has executed, along with this Agreement, the Independent System Operator Agreement (“ISO Agreement”) and has executed a Service Agreement(s) as a
Transmission Owner for purposes of the ISO Tariffs;

WHEREAS, the ISO will exercise ISO Operational Control over certain of the NTO’s
transmission facilities classified as “NTO Transmission Facilities Under ISO Operational
Control”;

WHEREAS, the NTO and ISO have agreed to enter into this Agreement for the purpose
of the NTO authorizing the ISO to exercise, and the ISO assuming, ISO Operational Control
over the NTO Transmission Facilities Under ISO Operational Control in accordance with the
requirements set forth in this Agreement, the ISO Tariffs, and the ISO Related Agreements, as
applicable;

WHEREAS, the NTO will continue to own and be responsible for the physical operation, modification and maintenance of its NTO Transmission Facilities Under ISO Operational Control; and

WHEREAS, the ISO OATT will provide for the payment by Transmission Customers for Transmission Service at rates designed to enable the NTO to recover its revenue requirement to the extent allowed, accepted, or approved by FERC;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and

agreements set forth herein, the Parties do hereby agree with each other, for themselves and their successors and assigns, as follows:

2

Service Agreement No. 2771

ARTICLE 1.0: DEFINITIONS

1.01 Capitalized Terms

Capitalized terms that are not otherwise defined herein shall have the meaning set forth in
the definitions contained in Article 1 of the ISO Agreement, as it existed on the date this
Agreement is signed by the Parties. Those definitions contained in Article 1 of the ISO
Agreement are hereby incorporated by reference in their entirety into this Agreement; provided,
however, that an NTO shall be a Transmission Owner for purposes of the ISO Tariffs and this
Agreement notwithstanding the definition of Transmission Owner contained in the ISO
Agreement related to the ownership of 100 circuit miles of transmission in New York State and
becoming a signatory to the ISO/TO Agreement. Modifications to such definitions in the ISO
Agreement shall apply to this Agreement only if the Parties to this Agreement agree in writing
pursuant to Section 6.14 below.

3

Service Agreement No. 2771

ARTICLE 2.0: RESPONSIBILITIES OF THE NTO

2.01 Transmission Facilities

The NTO owns certain transmission facilities over which the ISO will have day-to-day operational control to maintain these facilities in a reliable state, as defined by the Reliability
Rules and all other applicable reliability rules, standards and criteria, and in accordance with the ISO Tariffs, ISO Related Agreements and ISO Procedures (“ISO Operational Control”). These NTO facilities shall be classified as “NTO Transmission Facilities Under ISO Operational
Control,” and are listed in Appendix A-1 of this Agreement. The NTO also will be responsible for providing notification to the ISO with respect to actions related to certain other transmission facilities. These facilities shall be classified as “NTO Transmission Facilities Requiring ISO
Notification,” and are listed in Appendix A-2 of this Agreement. Transmission facilities may be added to, or deleted from, the lists of facilities provided in Appendices A-1 and A-2 herein by
mutual written agreement of the ISO and the NTO owning and controlling such facilities.
Currently listed facilities will be posted on the ISO’s OASIS.

2.02 Transmission System Operation

The NTO shall be responsible for ensuring that all actions related to the operation,

maintenance and modification of its facilities that are designated as NTO Transmission Facilities Under ISO Operational Control and NTO Transmission Facilities Requiring ISO Notification are performed in accordance with the terms of this Agreement, all Reliability Rules and all other applicable reliability rules, standards and criteria, all operating instructions, ISO Tariffs, ISO Procedures, and any transmission interconnection agreement(s) for its facilities.

2.03 Local Area Transmission System Facilities

Transmission system facilities not designated as NTO Transmission Facilities Under ISO Operational Control or as NTO Transmission Facilities Requiring ISO Notification shall be

4

Service Agreement No. 2771

collectively known as “Local Area Transmission System Facilities” and are listed in Appendix
A-3 of this Agreement. Transmission facilities may be added to, or deleted from, the list of
facilities provided in Appendix A-3 herein by mutual written agreement of the ISO and the NTO
owning and controlling such facilities. The NTO shall have sole responsibility for the operation
of its Local Area Transmission System Facilities, provided, however, that such operation shall
comply with all Reliability Rules and ISO Tariffs as applicable, and all other applicable
reliability rules, standards and criteria, and shall not compromise the reliable and secure
operation of the NYS Transmission System. The NTO shall promptly comply to the extent
practicable with a request from the ISO, or from the Transmission Owner(s) to which its
facilities are interconnected (“Interconnecting Transmission Owner(s)” or “ITO(s)”), to take
action with respect to coordination of the operation of its Local Area Transmission System
Facilities.

2.04 Safe Operations

Notwithstanding any other provision of this Agreement, an NTO may take, or cause to be
taken, such action with respect to the operation of its facilities as it deems necessary to maintain
Safe Operations. To ensure Safe Operations, the local operating rules of the ITO(s) shall govern
the connection and disconnection of generation with NTO transmission facilities. Safe
Operations include the application and enforcement of rules, procedures and protocols that are
intended to ensure the safety of personnel operating or performing work or tests on transmission
facilities.

2.05 Local Control Center, Metering and Telemetry

The NTO shall operate, pursuant to ISO Tariffs, ISO Procedures, Reliability Rules and all
other applicable reliability rules, standards and criteria on a twenty-four (24) hour basis, a
suitable local control center(s) with all equipment and facilities reasonably required for the ISO

5

Service Agreement No. 2771

to exercise ISO Operational Control over NTO Transmission Facilities Under ISO Operational
Control, and for the NTO to fulfill its responsibilities under this Agreement. Operation of the
NYS Power System is a cooperative effort coordinated by the ISO control center in conjunction
with local control centers and will require the exchange of all reasonably necessary information.
The NTO shall provide the ISO with Supervisory Control and Data Acquisition (“SCADA”)
information on facilities listed in Appendices A-1 and A-2 herein as well as on generation and
merchant transmission resources interconnected to the NTO’s transmission facilities pursuant to
the ISO OATT.

The NTO shall provide metering data for its transmission facilities to the ISO, unless
other parties are authorized by the appropriate regulatory authority to provide metering data.
The NTO shall collect and submit to the ISO billing quality metering data and any other
information for its transmission facilities required by the ISO for billing purposes. The NTO
shall provide to the ISO the telemetry and other operating data from generation and merchant
transmission resources interconnected to its transmission facilities that the ISO requires for the
operation of the NYS Power System. The NTO will establish and maintain a strict code of
conduct to prevent such information from reaching any unauthorized person or entity.

2.06 Security Constrained Unit Commitment Adjustments

The NTO shall coordinate with its ITO(s) as applicable regarding any request for commitment of
additional Generators. If, following coordination among the NTO and its ITO(s), an additional
resource(s) needs to be committed to ensure local area reliability, the NTO, or the ITO(s) at the
NTO’s request, may request commitment of additional Generators (including specific output
level(s)). The ISO will use Supplemental Resource Evaluation (“SRE”), pursuant to ISO Tariffs
and ISO Procedures, to fulfill a request from the NTO or ITO(s), as appropriate, for additional
units.

6

Service Agreement No. 2771

2.07 Design, Maintenance and Rating Capabilities

The NTO shall comply with the provisions of this Agreement, all Reliability Rules and all other applicable reliability rules, standards and criteria, ISO Procedures, the local reliability rules and planning criteria of its ITO(s), and Good Utility Practice with respect to the design, maintenance and rating the capabilities of NYS Transmission System facilities.

2.08 Maintenance Scheduling

The NTO shall schedule maintenance of its facilities designated as NTO Transmission
Facilities Under ISO Operational Control and schedule any outages (other than forced
transmission outages) of said transmission system facilities in accordance with outage schedules
approved by the ISO. The NTO shall comply with maintenance schedules coordinated by the
ISO, pursuant to this Agreement, for NTO Transmission Facilities Under ISO Operational
Control. The NTO shall be responsible for providing notification of maintenance schedules to
the ISO and ITO(s) for NTO Transmission Facilities Requiring ISO Notification, and for
providing notification of maintenance schedules to its ITO(s) for Local Area Transmission
Facilities.

2.09 NERC Registration

The NTO shall register or enter into agreement with a NERC registered entity for all required NERC functions applicable to the NTO, that may include, without limitation, those functions designated by NERC to be: “Transmission Owner” and “Transmission Planner” and “Transmission Operator.” The Parties agree to negotiate in good faith the compliance
obligations for the NERC functions applicable to, and to be performed by, each Party with
respect to the NTO’s facilities. Notwithstanding the foregoing, the ISO shall register for the “Transmission Operator” function for all NTO Transmission Facilities under ISO Operational Control identified in Appendix A-1 of this Agreement.

7

Service Agreement No. 2771

2.10 Investigations and Restoration

The NTO shall promptly conduct investigations of equipment malfunctions and failures
and forced transmission outages in a manner consistent with applicable FERC, PSC, NRC,
NERC, NPCC and NYSRC rules, principles, guidelines, standards and requirements, ISO
Procedures and Good Utility Practice. The NTO shall supply the results of such investigations to
the NYSRC, the ISO, its ITO(s), and the other affected Transmission Owners. Following a total
or partial system interruption, restoration shall be coordinated between the ISO control center
and local control centers. The local control centers shall have the authority, in coordination with
the ISO, to restore the system and to re-establish service if doing so would minimize the period
of service interruption. The NTO shall determine the level of resources to be applied to restore
facilities to service following a failure, malfunction, or forced transmission outage.

2.11 Information and Support

The NTO shall obtain from the ISO, and the ISO shall provide to the NTO, the necessary information and support services to comply with their obligations under this Article.

2.12 Performance of Obligation by Third Parties

The NTO may arrange for one or more third parties to perform its responsibilities under
this Agreement; provided, however, that the NTO shall require each such third party to agree in
writing to comply with all applicable terms and conditions of this Agreement; provided, further,
that in all cases the NTO shall be responsible for the acts and omissions of each such third party
to the same extent as if such acts and omissions were made by the NTO or its employees, and
such use of a third party shall not relieve the NTO of its responsibilities under this Agreement.
Notwithstanding the foregoing, the NTO shall have the right to assign this entire Agreement

pursuant to the terms of Article 4.0 hereof.

8

Service Agreement No. 2771

ARTICLE 3.0: RESPONSIBILITIES OF THE ISO

3.01 Operation and Coordination

The ISO shall direct the operation of, coordinate the maintenance scheduling of, and
coordinate the planning of certain facilities of the NYS Power System, including coordination
with the control center(s) maintained by or on behalf of the NTO, in accordance with the
Reliability Rules and all other applicable reliability rules, standards and criteria, as follows:

a. Administering Control Area operations of the NYS Power System;

b. Performing balancing of Generation and Load while ensuring the safe, reliable

and efficient operation of the NYS Power System;

c. Exercising ISO Operational Control over certain facilities of the NYS Power

System under normal operating conditions and system Emergencies to maintain system reliability; and

d. Coordinating the NYS Power System equipment outages and maintenance and

maintaining the safety and short term reliability of the NYS Power System.

3.02 Tariff Administration and Performance of Responsibilities Under ISO Related

Agreements

The ISO shall (a) administer the ISO OATT, the ISO Services Tariff and the ISO

Agreement in accordance with their provisions as they may be amended from time to time, and

(b) shall comply with the provisions of this Agreement, the ISO/TO Agreement, the NYSRC Agreement and the ISO/NYSRC Agreement.

3.03 Granting of Authority

The ISO responsibilities set forth in Article 3 of this Agreement, are granted by the NTO to the ISO only so long as each of the conditions set forth below is met and continues to be met throughout the term of this Agreement:

9

Service Agreement No. 2771

a. The ISO fully implements all Reliability Rules and all other applicable reliability

rules, standards and criteria including, without limitation, using all reasonable

efforts to require all Market Participants to maintain applicable levels of Installed Capacity and Operating Capacity, consistent with the ISO OATT, the ISO
Services Tariff, all Reliability Rules and all other applicable reliability rules,
standards and criteria;

b. The ISO has a FERC-accepted transmission tariff(s) and rate schedules which

provide(s) for full recovery of the transmission revenue requirement of the NTO

to the extent allowed, accepted or approved by FERC;

c. The ISO does not act in violation of lawful PSC or FERC Orders;

d. The ISO does not have a financial interest in any commercial transaction

involving the use of the NYS Power System or any other electrical system except
to the limited extent required for the ISO to be the single counterparty to market
transactions in accordance with the credit requirements for organized wholesale
electric markets set forth in Commission Order Nos. 741 and 741-A as codified in

18 C.F.R. § 35.47 (2011) or successor provisions;

e. The ISO distributes revenues from the collection of transmission charges to the

NTO in a timely manner; and

f. The ISO enforces and complies with the creditworthiness and collection standards

of the ISO Procedures, the ISO OATT and the ISO Services Tariff.

3.04 Collection and Billing

The ISO shall facilitate and/or perform the billing and collection of revenues related to
services provided by the ISO pursuant to the terms of the ISO OATT and the ISO Services
Tariff.

10

Service Agreement No. 2771

3.05 Proposed Material Modifications to the NYS Power System

Pursuant to the requirements of applicable provisions of the ISO OATT, ISO Related
Agreements and ISO Procedures, the ISO shall evaluate the impact of any proposed material
modification to the NYS Power System. Any proposed material modification to the NTO’s
facilities must satisfy the requirements of applicable provisions of the ISO OATT, NYSRC and
ISO/NYSRC Agreements and ISO Procedures. In the event of a dispute regarding the impact of
the proposed modification, the ISO or the NTO may refer the issue for resolution pursuant to
procedures set forth in Article 11 of the ISO Services Tariff, as such procedures may be amended
from time to time.

3.06 OASIS

The ISO shall maintain the OASIS for the New York Control Area.

3.07 NERC Registration

If and to the extent any of the NTO’s facilities are NERC jurisdictional facilities, the ISO
will register for certain NERC functions applicable to those NTO facilities. Such functions may
include, without limitation, those functions designated by NERC to be “Reliability Coordinator”
and “Balancing Authority” and “Transmission Planner” and “Planning Coordinator.” The
Parties agree to negotiate in good faith the compliance obligations for the NERC functions
applicable to, and to be performed by, each Party with respect to the NTO’s facilities.
Notwithstanding the foregoing, the ISO shall register for the “Transmission Operator” function
for all NTO Transmission Facilities under ISO Operational Control identified in Appendix A-1
of this Agreement.

3.08 NTO’s Reserved Rights

Notwithstanding any other provision of this Agreement, the NTO shall retain all of the

rights set forth in this Section; provided, however, that such rights shall be exercised in a manner

11

Service Agreement No. 2771

consistent with the NTO’s rights and obligations under the Federal Power Act and the

Commission’s rules and regulations thereunder. This Section is not intended to reduce or limit any other rights of the NTO as a signatory to this Agreement or any of the ISO Related
Agreements or under an ISO Tariff.

a. The NTO shall have the right to make a filing with the Commission pursuant to

Section 205 of the Federal Power Act to recover, in accordance with the

requirements of Attachment Y to the ISO OATT and/or applicable rate schedule of the ISO OATT, all of its reasonably incurred costs, plus a reasonable return on investment related to the development, construction, operation and maintenance of its transmission facilities.

b. Nothing in this Agreement shall restrict any rights, to the extent such rights exist:

(i) of the NTO that is a party to a merger, acquisition or other restructuring
transaction to make filings under Section 205 of the Federal Power Act with
respect to the reallocation or redistribution of revenues among Transmission

Owners or the assignment of its rights or obligations, to the extent the Federal

Power Act requires such filings; or (ii) of the NTO to terminate its participation in
the ISO pursuant to Section 3.02 of the ISO Agreement or Article 6 of this
Agreement, notwithstanding any effect its withdrawal from the ISO may have on
the distribution of transmission revenues among other Transmission Owners.

c. The NTO retains all rights that it otherwise has incident to its ownership of its

assets, including, without limitation, its transmission facilities including, without
limitation, the right to build, acquire, sell, merge, dispose of, retire, use as
security, or otherwise transfer or convey all or any part of its assets, including,

12

Service Agreement No. 2771

without limitation, the right to amend or terminate the NTO’s relationship with
the ISO in connection with the creation of an alternative arrangement for the
ownership and/or operation of its transmission facilities on an unbundled basis

(e.g., a transmission company), subject to necessary regulatory approvals and to any approvals required under applicable provisions of this Agreement.

d. The obligation of the NTO to expand or modify its transmission facilities in

accordance with the ISO OATT shall be subject to the NTO’s right to recover,

pursuant to appropriate financial arrangements contained in Commission-accepted tariffs or agreements, all reasonably incurred costs, plus a reasonable return on investment, associated with constructing and owning or financing such
expansions or modifications to its facilities.

e. The responsibilities granted to the ISO under this Agreement shall not expand or

diminish the responsibilities of the NTO to modify or expand its transmission system, nor confer upon the ISO the authority to direct the NTO to modify or expand its transmission system.

f. The NTO shall have the right to adopt and implement procedures it deems

necessary to protect its electric facilities from physical damage or to prevent injury or damage to persons or property.

g. The NTO retains the right to take whatever actions it deems necessary to fulfill its

obligations under local, state or federal law.

h. Nothing in this Agreement shall be construed as limiting in any way the rights of

the NTO to make any filing with the PSC.

13

Service Agreement No. 2771

i. Notwithstanding anything to the contrary in this Agreement, no amendment to

any provision of this Section may be adopted without the agreement of the NTO.

3.09 Retention of Non-Transferred Obligations

Any and all other rights and responsibilities of the NTO related to the ownership or

operation of its transmission assets or to its rights to withdraw its assets from ISO control, that have not been specifically transferred to the ISO under this Agreement or otherwise addressed under this Agreement, will remain with the NTO.

14

Service Agreement No. 2771

ARTICLE 4.0: ASSIGNMENT

4.01 Assignments by the NTO or the ISO

This Agreement may be assigned by either Party including, without limitation, to any entity(ies) in connection with a merger, consolidation, reorganization or change in the
organizational structure of the assigning Party, provided that the surviving entity(ies) agree, in writing, to be bound by the terms of this Agreement.

15

Service Agreement No. 2771

ARTICLE 5.0: LIMITATION OF LIABILITY AND INDEMNIFICATION

5.01 Limitations of Liability

Except as otherwise provided under the ISO OATT, neither Party shall be liable (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) to the other Party, any Market Participant, any third party or other party for any damages whatsoever, including
without limitation, special, indirect, incidental, consequential, punitive, exemplary or direct
damages resulting from any act or omission under this Agreement, except to the extent the Party is found liable for gross negligence or intentional misconduct, in which case the Party shall not be liable for any special, indirect, incidental, consequential, punitive or exemplary damages.
Nothing in this Section will excuse an NTO from an obligation to pay for services provided to
the NTO by the ISO or to pay any deficiency payments, penalties, or sanctions imposed by the
ISO under the ISO OATT or the ISO Services Tariff.

5.02 Additional Limitations of Liability

Except as otherwise provided under the ISO OATT, neither the NTO nor the ISO shall be liable for any indirect, consequential, exemplary, special, incidental or punitive damages
including, without limitation, lost revenues or profits, the cost of replacement power or the cost of capital, even if such damages are foreseeable or the damaged party has been advised of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy.

5.03 Indemnification

Each Party shall at all times indemnify, save harmless and defend the other Party,

including their directors, officers, employees, trustees, and agents, or each of them, from and

against all claims, demands, losses, liabilities, judgments, damages (including, without

limitation, any consequential, incidental, direct, special, indirect, exemplary or punitive damages

16

Service Agreement No. 2771

and economic costs), and related costs and expenses (including, without limitation, reasonable
attorney and expert fees, and disbursements incurred by the Party in any actions or proceedings
between the Party and a Market Participant, or any other third party) arising out of or related to
the ISO’s or the NTO’s acts or omissions related in any way to the NTO’s ownership or
operation of its transmission facilities when such acts or omissions are either (1) pursuant to or
consistent with ISO Procedures or direction; or (2) in any way related to the NTO’s or the ISO’s
performance under the ISO OATT, the ISO Services Tariff, the ISO Agreement, the
ISO/NYSRC Agreement, NYSRC Agreement, or this Agreement; provided, however, that the
NTO shall not have any indemnification obligation under this Section 5.02 with respect to any
loss to the extent the loss results from the gross negligence or intentional misconduct of the ISO;
provided, further, that the ISO shall not have any indemnification obligation under this Section

5.02 with respect to any loss except to the extent the loss results from the gross negligence or intentional misconduct of the ISO.

5.04 Force Majeure

Each Party shall not be considered to be in default or breach under this Agreement, and

shall be excused from performance or liability for damages to any other party, if and to the extent
it shall be delayed in or prevented from performing or carrying out any of the provisions of this
Agreement, except the obligation to pay any amount when due, arising out of or from any act,
omission, or circumstance occasioned by or in consequence of any act of God, labor disturbance,
failure of contractors or suppliers of materials, act of the public enemy, war, invasion,
insurrection, riot, fire, storm, flood, ice, explosion, breakage or accident to machinery or
equipment or by any other cause or causes beyond such Party’s reasonable control, including any
curtailment, order, regulation, or restriction imposed by governmental, military or lawfully
established civilian authorities, or by the making of repairs necessitated by an emergency

17

Service Agreement No. 2771

circumstance not limited to those listed above upon the property or equipment of the ISO or any party to the ISO Agreement. Nothing contained in this Article shall relieve any entity of the
obligations to make payments when due hereunder or pursuant to a Service Agreement. Any
party claiming a force majeure event shall use reasonable diligence to remove the condition that prevents performance, except the settlement of any labor disturbance shall be in the sole
judgment of the affected party.

5.05 Claims by Employees and Insurance

Each Party shall be solely responsible for and shall bear all of the costs of claims by its
own employees, contractors, or agents arising under and covered by, any workers’ compensation
law. Each Party shall furnish, at its sole expense, such insurance coverage and such evidence
thereof, or evidence of self-insurance, as is reasonably necessary to meet its obligations under
this Agreement.

5.06 Survival

The provisions of this Article, “Limitations of Liability and Indemnification” shall survive the termination or expiration of this Agreement or the ISO Tariffs.

18

Service Agreement No. 2771

ARTICLE 6.0: OTHER PROVISIONS

6.01 Term and Termination for Cause

This Agreement shall become effective upon the execution of this Agreement by the
NTO and the ISO and on the later of: (i) the date on which FERC, the PSC and any other
regulatory agency having jurisdiction accepts this agreement without condition or material
modification and grants all approvals needed to place the NTO’s facilities in service, including,
without limitation, any approvals required under Section 70 of the Public Service Law and
Section 203 of the FPA; or (ii) on such later date specified by FERC. Without waiving or
limiting any of its other rights under this Article, if the NTO determines that any of the
conditions set forth in Section 3.03 hereof is not being met or ceases to be in full force and effect
the NTO may terminate this Agreement, withdraw from the ISO Agreement and the ISO Tariffs,
and withdraw its assets from the ISO’s control and administration on ninety (90) days prior
written notice to the ISO and FERC, subject to the NTO obtaining all regulatory approvals for
such termination and withdrawal, and having on file with FERC its own open access
transmission tariff. Such notice shall identify the condition or conditions set forth in Section

3.03 that have not been met or no longer are in full force and effect; provided, however, that

prior to the filing of such notice, the ISO shall be advised of the specific condition or conditions
that are no longer in full force and effect, and the ISO shall have the opportunity to restore the
effectiveness of the condition or conditions identified within a thirty (30) day period. If the
effectiveness of the condition or conditions is not restored within thirty (30) days, the NTO may
file a notice of termination with the ISO and FERC; provided, however, that if the ISO
demonstrates that it has made a good faith effort but has been unable to restore the effectiveness
of the condition or conditions within the thirty (30) day period, the ISO shall be provided an
additional thirty (30) day period to restore the effectiveness of the condition or conditions and

19

Service Agreement No. 2771

the NTO may not file the notice of termination until the expiration of the second thirty (30) day
period. The NTO’s termination of this Agreement under this Section shall be effective ninety

(90) days after the filing of the notice of termination unless FERC finds that such termination of
the NTO is contrary to the public interest, as that standard has been judicially construed under
the Mobile-Sierra doctrine. However, the NTO may withdraw the notice or extend the
termination date. Nothing in this section shall be construed as a voluntary undertaking by the
NTO to remain a Party to this Agreement after the expiration of its notice of termination.

6.02 Termination by Election

The NTO may terminate this Agreement, withdraw from the ISO Agreement and the ISO Tariffs, and withdraw its assets from the ISO control and administration upon ninety (90) days
written notice to the ISO Board and FERC, subject to the NTO obtaining all regulatory approvals for such termination and withdrawal, and having on file with FERC its own open access
transmission tariff. Such termination and withdrawal shall be effective unless FERC finds that
such termination and withdrawal is contrary to the public interest, as that standard has been
judicially construed under the Mobile-Sierra doctrine. Any modification to this Article shall
provide the NTO with the right to terminate this Agreement pursuant to the unmodified
provisions of this Article, within ninety (90) days of the effective date of such modification,
subject to the NTO obtaining all regulatory approvals for such termination, and having on file
with FERC its own open access transmission tariff.

6.03 Obligations after Termination

a. Following termination of this Agreement, a Party shall remain liable for all

obligations arising hereunder prior to the effective date of termination, including all obligations accrued prior to the effective date, imposed on the Party by this Agreement or the ISO Tariffs or other ISO Related Agreements.

20

Service Agreement No. 2771

b. Termination of this Agreement shall not relieve the NTO of any continuing

obligation it may have under the ISO Tariffs and ISO Related Agreements, unless the NTO also withdraws from the ISO Tariffs or ISO Related Agreements.

c. Termination of this Agreement and withdrawal from the ISO Tariffs and ISO

Related Agreements shall not relieve the NTO of its responsibility for the

operation, maintenance, and modification of its transmission facilities in

accordance with its own open access transmission tariff, all Reliability Rules and all other applicable reliability rules, standards and criteria, and all other
requirements applicable to transmission facilities in the NYCA.

6.04 Winding Up

Any provision of this Agreement that expressly or by implication comes into or remains in force following the termination of this Agreement shall survive such termination. The
surviving provisions shall include, but shall not be limited to: (i) those provisions necessary to
permit the orderly conclusion, or continuation pursuant to another agreement, of transactions
entered into prior to the termination of this Agreement, (ii) those provisions necessary to conduct final billing, collection, and accounting with respect to all matters arising hereunder, and (iii) the indemnification and limitation of liability provisions as applicable to periods prior to such
termination. The ISO and the terminating NTO shall have an obligation to make a good faith
effort to agree upon a mutually satisfactory termination plan. Such plan shall have among its
objectives an orderly termination. The plan shall address, to the extent necessary, the allocation of any costs directly related to the termination by the NTO.

6.05 Confidentiality

A. Party Access. Each Party shall supply information to the other Party as required by this

Agreement. Information shall be treated as Confidential Information under this Agreement if (i)

21

Service Agreement No. 2771

it has been clearly marked or otherwise designated as “Confidential information” by the Party
supplying the information, or (ii) it is information designated as Confidential Information by
applicable provisions of the ISO Tariffs; provided, however, Confidential Information does not
include information: (i) in the public domain or that has been previously publicly disclosed
without violation of this Agreement, (ii) required by law to be publicly submitted or disclosed
(with notice to the other Party), or (iii) necessary to be divulged in an action to enforce this
Agreement.

Notwithstanding anything in this Section to the contrary, the NTO shall not have a right hereunder to receive or review any documents, data or other information of another Market
Participant or the ISO, including documents, data or other information provided to the ISO, to the extent such documents, data or information have been designated as confidential pursuant to the procedures specified in the ISO Tariffs or to the extent that they have been designated as
confidential by such other Market Participant; provided, however, that the NTO may receive and review any composite documents, data and other information that may be developed based on such confidential documents, data or information if the composite does not disclose any
individual Market Participant’s confidential data or information.

B. Required Disclosure. The ISO shall treat any Confidential Information it receives from
the NTO in accordance with applicable provisions of the ISO Tariffs. If the NTO receives
Confidential Information from the ISO, it shall hold such information in confidence, employing
at least the same standard of care to protect the Confidential Information obtained from the ISO
as it employs to protect its own Confidential Information. Each Party shall not disclose the other
Party’s Confidential Information to any third party or to the public without prior written
authorization of the Party providing the information; provided, however, if the ISO is required by

22

Service Agreement No. 2771

applicable law, or in the course of administrative or judicial proceedings, or subpoena, to

disclose information that is otherwise required to be maintained in confidence pursuant to this
Section, the ISO will do so in accordance with applicable provisions of the ISO Tariffs. And if the NTO is required by applicable law, or in the course of administrative or judicial proceedings, or subpoena, to disclose information that is otherwise required to be maintained in confidence
pursuant to this Section, the NTO may make disclosure of such information; provided, however, that as soon as the NTO learns of the disclosure requirement and prior to making such disclosure, the NTO shall notify the ISO of the requirement and the terms thereof and the ISO may, at its
sole discretion and cost, assert any challenge to or defense against the disclosure requirement and the NTO shall cooperate with the ISO to the maximum extent practicable to minimize the
disclosure of the information consistent with applicable law. Each Party shall cooperate with the Other Party to obtain proprietary or confidential treatment of such information by the person to whom such information is disclosed prior to any such disclosure.

6.06 Governing Law; Jurisdiction

The interpretation and performance of this Agreement shall be in accordance with and
shall be controlled by the laws of the State of New York as though this Agreement is made and
performed entirely in New York. With respect to any claim or controversy arising from this
Agreement or performance hereunder within the subject matter jurisdiction of the Federal or
State courts of the State of New York, the Parties consent to the exclusive jurisdiction and venue
of said courts.

6.07 Headings

The section headings herein are for convenience and reference only and in no way define
or limit the scope of this Agreement or in any way affect its provisions. Whenever the terms

23

Service Agreement No. 2771

hereto, hereunder, herein or hereof are used in this Agreement, they shall be construed as

referring to this entire Agreement, rather than to any individual section, subsection or sentence.

6.08 Mutual Agreement

Nothing in this Agreement is intended to limit the Parties’ ability to mutually agree upon taking a course of action different than that provided for herein; provided that doing so will not adversely affect any other Parties’ rights under this Agreement.

6.09 Contract Supremacy

In the case of a conflict between the express terms of this Agreement and the terms of the ISO Agreement, the express terms of this Agreement shall prevail.

6.10 Additional Remedies

The Parties agree that remedies at law will be inadequate to protect their respective

interests and that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the responsible Party in accordance with their specific terms or were otherwise breached. Accordingly, it is agreed that each Party shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or an ISO Tariff by the other Party, and specific performance to enforce specifically the terms and provisions thereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which each Party is entitled at law or in equity.

6.11 No Third Party Rights

Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any rights or remedies under or by reason of this Agreement.

6.12 Not Partners

Nothing contained in this Agreement shall be construed to make the Parties partners or
joint venturers or to render either Party liable for the debts or obligations of the other Party.

24

Service Agreement No. 2771

6.13 Waiver

Any waiver at any time of the rights of either Party as to any default or failure to require strict adherence to any of the terms herein, on the part of the other Party to this Agreement or as to any other matters arising hereunder shall not be deemed a waiver as to any default or other matter subsequently occurring.

6.14 Modification Generally

This Agreement is subject to change under Section 205 of the Federal Power Act, as that
section may be amended or superseded, upon the mutual written agreement of the Parties.
Absent mutual agreement of the Parties, it is the intent of this Section 6.14 that, to the maximum
extent permitted by law, the terms and conditions set forth in Sections 2.01, 3.03, 3.08, 3.09,

4.01, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 6.01, 6.02, 6.09 and 6.14 of this Agreement shall not be
subject to change, regardless of whether such change is sought (a) by the Commission acting sua
sponte on behalf of either Party or third party, (b) by a Party, (c) by a third party, or (d) in any
other manner; subject only to an express finding by the Commission that such change is required
under the public interest standard under the Mobile-Sierra doctrine. Any other provision of this
Agreement may be changed pursuant to a filing with FERC under Section 206 of the Federal

Power Act and a finding by the Commission that such change is just and reasonable.

6.15 Modifications Related to Docket No. ER13-102

Notwithstanding Section 6.14 of this Agreement, if the Commission directs in Docket
No. ER13-102 that modifications be made to the pro forma Operating Agreement located in
Section 31.11 of the ISO OATT, the Parties shall amend this Agreement to incorporate the
modifications and file an amended, restated and re-executed Agreement with the Commission;
provided, however, the Parties may agree to include in the Agreement for the Commission’s
acceptance non-conforming changes to any terms of the pro forma Operating Agreement that

25

Service Agreement No. 2771

have been modified to comply with the Commission’s order, provided further, the Parties may only otherwise modify this Agreement in accordance with its Section 6.14. The Parties shall file the modifications required in this Section 6.15 promptly after issuance of the Commission’s order directing modifications to the pro forma Operating Agreement. Any such changes shall be effective back to the effective date of this Agreement. To the extent the Commission on
rehearing or a reviewing court orders further changes to the pro forma Operating Agreement the Parties shall file conforming changes to this Agreement promptly thereafter. Any such further changes will be effective back to the effective date of this Agreement.

6.16 Counterparts

This Agreement may be executed in counterparts, neither one of which needs to be

executed by both Parties, and this Agreement shall be binding upon both Parties with the same force and effect as if both Parties had signed the same document, and each such signed
counterpart shall constitute an original of this Agreement.

26

Service Agreement No. 2771

APPENDIX A-1

LISTING OF NTO TRANSMISSION FACILITIES
 UNDER ISO OPERATIONAL CONTROL

RESPONSIBLE

EQUIPMENT FROM BUS FROM THIRD

NAME NAME BUS KV TO BUS NAME TO BUS KV PARTY1

NEW YORK

STATE

ELECTRIC &

SERIES GAS

CAPACITOR 3 FRASER 345 CORPORATION

NEW YORK

STATE

ELECTRIC &

COOPERS GAS

LINE SEGMENT 332 FRASER 345 CORNERS 345 CORPORATION

CENTRAL

HUDSON GAS
& ELECTRIC
CORPORATION
/ ORANGE AND
ROCKLAND

LINE 76 ROCK TAVERN 345 SUGARLOAF 345 UTILITIES

1 Identified pursuant to Section 2.12

2 The line segment from Structure 17 to Structure 177

28

Service Agreement No. 2771

APPENDIX A-2

LISTING OF NTO TRANSMISSION FACILITIES
 REQUIRING ISO NOTIFICATION

29

Service Agreement No. 2771

APPENDIX A-3

LISTING OF NTO LOCAL AREA TRANSMISSION SYSTEM FACILITIES

30

Exhibit C

Owner and Provider Contact

Owner Contact:

Nabil Hitti

VP Operations

NY Transco LLC

Nabil.Hitti@nytransco.com 781-907-2657

With a copy to:

Kathleen Carrigan

General Counsel New York Transco LLC Carrigan & Associates LLC

P.O. 5905

6 Elm Street Unit C
Salisbury Ma. 01952
617-455-5329

Kathleen.Carrigan@NYTransco.com

Provider Contact:

Francis W. Peverly, PMP

Vice President - Operations

Orange & Rockland Utilities, Inc. 390 West Route 59

Spring Valley, NY 10977 (845) 577-3697

(914) 906-8786 (C)
peverlyf@oru.com

With a copy to:

Deputy General Counsel

Consolidated Edison Company of New York, Inc.

crayb@coned.com

212.460.3245

Exhibit D

List of Interconnection Agreements

Transmission Facility Interconnection Agreement (Service Agreement No. 2217) by and
between Consolidated Edison Company of New York, Inc., as developer and Orange &
Rockland Utilities, Inc., as connecting transmission owner, dated as of May 27, 2015.

Transmission Facility Interconnection Agreement (Service Agreement No. 2216) by and

between Consolidated Edison Company of New York, Inc., as connecting transmission owner and Orange & Rockland Utilities, Inc., as developer, dated as of May 27, 2015.

Exhibit E

Work Request

Date of Request: \_\_\_\_/\_\_\_\_/\_\_\_\_\_ Requesting Party: NY TRANSCO LCC

IN ACCORDANCE WITH THE OPERATIONS AND MAINTENANCE AGREEMENT DATED \_\_\_\_\_\_\_, 2016, BY AND BETWEEN ORANGE AND ROCKLAND UTILITIES, INC. (THE
“PROVIDER”) AND NEW YORK TRANSCO LLC (THE “OWNER”) HEREBY REQUESTS THE PROVIDER TO UNDERTAKE THE FOLLOWING WORK:

Work Location: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Description of work/repair:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimated cost:

Requested Priority:

[\_\_\_] High - Must be done within 24 hours. [\_\_\_] Medium - Within the week.
[\_\_\_] Low - Within 30 days

APPROVED BY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For Provider Use Only:

Date Reviewed: \_\_\_\_/\_\_\_\_/\_\_\_\_\_ Priority Assigned: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Authorized By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Comment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Date Work Completed:\_\_\_\_/\_\_\_\_/\_\_\_\_\_ Number of Days to Complete: \_\_\_\_\_\_
Work Assigned To:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Exhibit F

Emergency Contacts

For Operational communications:
 To Owner:

Nabil Hitti

VP Operations

NY Transco LLC

Nabil.Hitti@nytransco.com 781-907-2657

With a copy to:

Kathleen Carrigan

General Counsel New York Transco LLC Carrigan & Associates LLC

P.O. 5905

6 Elm Street Unit C
Salisbury Ma. 01952
617-455-5329

Kathleen.Carrigan@NYTransco.com

To Provider:

Senior System Operator Tel: 845.577.3354

For Security communications:
 To Owner:

Nabil Hitti

VP Operations

NY Transco LLC

Nabil.Hitti@nytransco.com 781-907-2657

With a copy to:

Kathleen Carrigan

General Counsel New York Transco LLC Carrigan & Associates LLC

P.O. 5905

6 Elm Street Unit C
Salisbury Ma. 01952
617-455-5329

Kathleen.Carrigan@NYTransco.com

To Provider:

Corporate Security
Tel: 845.577.3130

Exhibit G

Compliance and Functional Task Matrix

Schedule 1

Required Insurance Coverage

Owner’s Insurance Requirements

(a) Workers’ Compensation Insurance in accordance with all applicable state, federal

and maritime law, including Employer’s Liability Insurance in the amount of $1,000,000 per

accident;

(b) Commercial General Liability Insurance, including contractual liability coverage
for liabilities assumed under this Agreement with limits of not less than $35,000,000 per

occurrence for bodily injury, including death and property damage, and Products/Completed Operations Liability Insurance. The insurance shall contain no exclusions for explosion, collapse of a building or structure, or underground hazards. Owner’s policy shall include Provider as additional insured for Owner’s full policy limits required herein and such insurance shall be primary and non-contributory coverage as to such additional insured, including claims caused by Provider’s ordinary negligence while performing work for Owner;

(c) Automobile Liability Insurance for all owned, non-owned, and hired vehicles with bodily injury limits of no less than $1,000,000 combined single limit per occurrence. Owner’s policy shall include Provider as an additional insured. If Owner does not have vehicles, it may purchase Non-Owned Automobile Liability Insurance;

(d) Professional Liability Insurance in the amount of $1,000,000 per incident, if

applicable, relating to Owner’s operations.

Additional insurance coverage may be required relating to Owner’s operations. Provider shall have the right to require Owner to provide reasonable increases to the policy limits of insurance policies required herein.

Provider’s Insurance Requirements

(a) Workers’ Compensation Insurance in accordance with all applicable state,

federal and maritime law, including Employer’s Liability Insurance in the amount of $1,000,000

per accident;

(b) Commercial General Liability Insurance-None.

(c) Automobile Liability Insurance for all owned, non-owned, and hired vehicles with

bodily injury limits of no less than $1,000,000 combined single limit per occurrence.

(d) Provider shall have the right to self-insure all or part of the insurances required
under this Agreement, to the extent authorized or licensed to do so under the applicable laws of
the State of New York. Provider agrees that all other provisions of this Agreement, including
waiver of subrogation and waiver of rights of recourse which provide or are intended to provide
protection to Owner and its affiliated and associated companies under this Agreement, shall
remain enforceable if it exercises its right to self-insure all or part of the insurance required under

this Agreement. Provider’s election to self-insure shall not impair, limit, or in any manner result
in a reduction of rights and/or benefits otherwise available to Owner and its affiliated and
associated companies through formal insurance policies and endorsements as specified in Article

12 of this Agreement. Provider shall be solely responsible for all amounts of self-insurance, retentions and/or deductibles.

Contractors’ and Subcontractors’ Insurance Requirements

(a) Owner’s contractors’ (and their respective subcontractors, if any) (provided that Transmission Owner shall not be deemed a Transco contractor for purposes of hereof) shall be required to procure and maintain Workers’ Compensation and Employer’s Liability Insurance with limits not less than $1,000,000 per injury or disease, Automobile Liability Insurance for all owned, non-owned or hired automobiles with limits not less than $1,000,000 per occurrence and Commercial General Liability Insurance with limits not less than $5,000,000 per occurrence. Such insurance may be satisfied through primary and excess policies, shall name Owner and Provider and their respective Affiliates as additional insureds and shall be primary and noncontributory to any insurance carried by the Parties. Additional insurance coverage may be required depending on the Services to be provided.

(b) Provider’s contractors’ (and their respective subcontractors, if any) shall be

required to procure and maintain Workers’ Compensation and Employer’s Liability Insurance with limits not less than $1,000,000 per injury or disease, Automobile Liability Insurance for all owned, non-owned or hired automobiles with limits not less than $1,000,000 per occurrence and Commercial General Liability Insurance with limits not less than $5,000,000 per occurrence. Such insurance may be satisfied through primary and excess policies, shall name Owner and Provider and their respective Affiliates as additional insureds and shall be primary and noncontributory to any insurance carried by the Parties. Additional insurance coverage may be required depending on the Services to be provided.

The Parties shall furnish to each other copies of any accident or incident report(s) sent to their respective insurance carriers covering accidents or incidents occurring in connection with or as a result of the performance of the Services. In addition, if required, the Parties shall promptly provide copies of all insurance policies relevant to any accident or incident. These requirements are in addition to any requirements contained elsewhere in this Agreement.

Schedule 2
Notices

For commercial and/or operations communications:

To Owner:

Nabil Hitti

VP Operations

NY Transco LLC

Nabil.Hitti@nytransco.com 781-907-2657

With a copy to:

Kathleen Carrigan

General Counsel New York Transco LLC Carrigan & Associates LLC

P.O. 5905

6 Elm Street Unit C
Salisbury Ma. 01952
617-455-5329

Kathleen.Carrigan@NYTransco.com

To Provider:

Francis W Peverly, PMP

Vice President - Operations

Orange & Rockland Utilities, Inc. 390 West Route 59

Spring Valley, NY 10977 (845) 577-3697

(914) 906-8786 (C)
peverlyf@oru.com

With a copy to:

Schedule 3

Initial Maintenance Plan

Anticipated First Year Budget of Maintenance Work on L76 Between Sugarloaf and Rock Tavern For The Period Between January 1, 2017 and December 31, 2017

Spring & Fall Patrol $22,500

Thermovision IR $500

Perform Tower Ground Readings $6,500

Provide Aerial Support $5,000

Repair Conductor $10,000

Repair Tower Structures $0

ROW Roads & Trails $0

Sub-total for line/tower maintenance activities = $44,500

1Sub-total for TVM activities = $5

Total projected for line/tower maintenance and TVM activities = $44,505

1TVM on the L76 will be on a 3-yr cycle.
 Year 1 (2017) = $5K

Year 2 (2018) = $168K
Year 3 (2019) = $53K

Continued on next page

Schedule 3 (continued)

Initial Maintenance Plan (continued)

Equipment Maintenance (Annual)

ACTIVITY

Monthly #1 Inspections
Annual Battery Inspection

Quarterly Bk. 1112 Oil Sample Annual Heater Inspection

Bk. 1112 Fan Inspection

76-1112-2 Annual Compressor Inspection Monthly Generator Runs

Monthly DME Downloads

Environmental Assesment (SWPPP) Semi-annual IR Inspection

Annual Pre-emergent Spraying HVAC Maintenance

FREQUENCY
(within 1 YEAR)

12

1

4

1

1

1

12

12

12

2

1

2

# of UNITS

1

2

2

1

1

1

1

1

1

1

1

1

TOTAL ANNUAL UNIT HOURS

HOURS

1 12

4 8

4 32

4 4

4 4

4 4

6 72

4 48

2 24

2 4

4 4
4 8

BILLING RATE
 TOTAL ($)

(HOURLY)

$ 167.75 $ 2,013

$ 167.75 $ 1,342

$ 167.75 $ 5,368

$ 167.75 $ 671

$ 167.75 $ 671

$ 167.75 $ 671

$ 167.75 $ 12,078

$ 167.75 $ 8,052

$ 167.75 $ 4,026

$ 167.75 $ 671

$ 167.75 $ 671
$ 167.75 $ 1,342

TOTAL 224 $ 37,576

Equipment Maintenance (Other)

ACTIVITY

FREQUENCY
 (YEARS)

BILLING RATE

# OF UNITS UNIT HOURS TOTAL HOURS TOTAL ($)

(HOURLY)

In-Service Relay Maintenance 6 4 160 640 $ 167.75 $ 107,360

Relay Trip Test 6 4 120 480 $ 167.75 $ 80,520

Bk. 1112 Class #3/Doble 5 1 24 24 $ 167.75 $ 4,026

Bk. 1112 Class #4 10 1 48 48 $ 167.75 $ 8,052

76-1112-2 Class #3/Doble 5 1 24 24 $ 167.75 $ 4,026

TOTAL 1216 $ 203,984

Note: All the above referenced activities may generate additional maintenance expenses that will be billed at applicable hourly rate plus cost of parts, contractor servcies, etc.

Schedule 4
Initial Budget

Initial Budget of Maintenance Work on L76 Between Sugarloaf and Rock Tavern For The Period Between June 1, 2016 and December 31, 2016

1Sub-total for line/tower maintenance activities = $10,000

2Sub-total for TVM activities = $5,000

Total projected for line/tower maintenance and TVM activities = $15,000

1No planned work for the remainder of 2016. $10K accounts for

reasonably expected emergent activities (eg lightning damaged insulators).

2No planned work for the remainder of 2016. $5K accounts for emergent hazard/danger trees identified.

EQUIPMENT MAINTENANCE (Jun '16 - Dec '16)

ACTIVITY

Monthly #1 Inspections
Quarterly Bk. 1112 Oil Sample
Monthly Generator Runs
Monthly DME Downloads

Environmental Assesment (SWPPP) Semi-annual IR Inspection

HVAC Maintenance

FREQUENCY
 (remaining
within YEAR

2016)

7

2

7

7

7

1

1

TOTAL

# OF UNITS UNIT HOURS

ANNUAL

HOURS

1 1 7

2 4 16

1 6 42

1 4 28

1 2 14

1 2 2
1 4 4

COMPANY

BILLING RATE
 (HOURLY)

$ 167.75

$ 167.75

$ 167.75

$ 167.75

$ 167.75

$ 167.75
$ 167.75

CONTRACTOR

TOTAL BILLING

TOTAL ($) ANNUAL RATE TOTAL ($)

HOURS (HOURLY)

$ 1,174 $ -

$ 2,684 $ 60.00 $ 240

$ 7,046 $ -

$ 4,697 $ -

$ 2,349 2 $ 100.00 $ 1,400

$ 336 2 $ 125.00 $ 250
$ 671 $ 350.00 $ 350

TOTAL 113 $ 18,956 $ 2,240

Note: All the above referenced activities may generate additional maintenance expenses that will be billed at applicable hourly rate plus cost of parts, contractor servcies, etc.