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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
-------------	------------	----

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
--------------	-----------------------------	----

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 Counterparts38

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

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:

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.

“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.

“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.

“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.

“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.

“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).

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

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;

(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

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.

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.

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

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 Indemnatee, together

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

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

(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 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.

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;

(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.

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.

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

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

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

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

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

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

“*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 14.1 or 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

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

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.

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 INDEMNIFICATION 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

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

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

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

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.

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 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.

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

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.

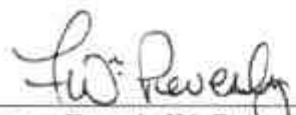
Section 20.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission (including exchange of PDFs by electronic mail) shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means shall be deemed to be their original signatures for all purposes. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the Party against whom enforcement is sought.

IN WITNESS WHEREOF, the Parties have caused this Operations and Maintenance Agreement to be executed as of the date first set forth above.

NEW YORK TRANSCO LLC

ORANGE & ROCKLAND UTILITIES, INC.

By: _____
Name:
Title:

By:  _____
Name: Francis W. Peverly
Title: Vice President - Operations

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

2. The second part of the document outlines the specific procedures for recording transactions. It details the steps involved in the accounting cycle, from identifying the transaction to posting it to the appropriate ledger account.

3. The third part of the document discusses the role of the auditor in verifying the accuracy of the records. It describes the various techniques used by auditors to test the reliability of the data and to ensure that the financial statements are presented fairly.

4. The fourth part of the document discusses the importance of internal controls in preventing errors and fraud. It describes the various types of controls that can be implemented, such as segregation of duties and the use of physical safeguards.

5. The fifth part of the document discusses the role of the management in ensuring the integrity of the financial system. It describes the various responsibilities of management, such as establishing a strong tone at the top and implementing effective internal controls.

6. The sixth part of the document discusses the importance of transparency in financial reporting. It describes the various ways in which companies can improve the transparency of their financial statements, such as by providing more detailed disclosures.

7. The seventh part of the document discusses the importance of the external audit in providing an independent opinion on the financial statements. It describes the various steps involved in the audit process, from planning to the final report.

8. The eighth part of the document discusses the importance of the internal audit in providing an independent opinion on the internal controls. It describes the various steps involved in the internal audit process, from planning to the final report.

9. The ninth part of the document discusses the importance of the external audit in providing an independent opinion on the financial statements. It describes the various steps involved in the audit process, from planning to the final report.

10. The tenth part of the document discusses the importance of the internal audit in providing an independent opinion on the internal controls. It describes the various steps involved in the internal audit process, from planning to the final report.

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

	<u>Page</u>
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

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

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;

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:

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.

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

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

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.

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.

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.

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:

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.

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

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,

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.

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.

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.

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

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

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.

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

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.

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)

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

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

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.

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

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.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in its corporate name by its proper officers as of the date first written above.

New York Independent System Operator, Inc.

By:

Rick Gonzales
Rick Gonzales

Title: Chief Operating Officer

Date:

5/17/2016

New York Transco LLC

By:

Stuart Nachmias

Title: President

Date:

Service Agreement No. 2771

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in its corporate name by its proper officers as of the date first written above.

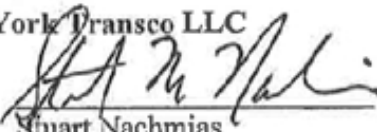
New York Independent System Operator, Inc.

By: _____
Rick Gonzales

Title: Chief Operating Officer

Date: _____

New York Pransco LLC

By:  _____
Stuart Nachmias

Title: President

Date: 5-23-16

Service Agreement No. 2771

APPENDIX A-1

LISTING OF NTO TRANSMISSION FACILITIES UNDER ISO OPERATIONAL CONTROL

EQUIPMENT NAME	FROM BUS NAME	FROM BUS KV	TO BUS NAME	TO BUS KV	RESPONSIBLE THIRD PARTY ¹
SERIES CAPACITOR 3	FRASER	345			NEW YORK STATE ELECTRIC & GAS CORPORATION
LINE SEGMENT 33 ²	FRASER	345	COOPERS CORNERS	345	NEW YORK STATE ELECTRIC & GAS CORPORATION
LINE 76	ROCK TAVERN	345	SUGARLOAF	345	CENTRAL HUDSON GAS & ELECTRIC CORPORATION / ORANGE AND ROCKLAND UTILITIES

¹ Identified pursuant to Section 2.12

² The line segment from Structure 17 to Structure 177

Service Agreement No. 2771

APPENDIX A-2

**LISTING OF NTO TRANSMISSION FACILITIES
REQUIRING ISO NOTIFICATION**

Service Agreement No. 2771

APPENDIX A-3

LISTING OF NTO LOCAL AREA TRANSMISSION SYSTEM FACILITIES

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

²TVM 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)						
<u>Initial Maintenance Plan (continued)</u>						
<u>Equipment Maintenance (Annual)</u>						
ACTIVITY	FREQUENCY (within 1 YEAR)	# of UNITS	UNIT HOURS	TOTAL ANNUAL HOURS	BILLING RATE (HOURLY)	TOTAL (\$)
Monthly #1 Inspections	12	1	1	12	\$ 167.75	\$ 2,013
Annual Battery Inspection	1	2	4	8	\$ 167.75	\$ 1,342
Quarterly Bk 1112 Oil Sample	4	2	4	32	\$ 167.75	\$ 5,368
Annual Heater Inspection	1	1	4	4	\$ 167.75	\$ 671
Bk 1112 Fan Inspection	1	1	4	4	\$ 167.75	\$ 671
76-1112-2 Annual Compressor Inspection	1	1	4	4	\$ 167.75	\$ 671
Monthly Generator Runs	12	1	6	72	\$ 167.75	\$ 12,078
Monthly DME Downloads	12	1	4	48	\$ 167.75	\$ 8,052
Environmental Assessment (SWPPP)	12	1	2	24	\$ 167.75	\$ 4,026
Semi-annual IR Inspection	2	1	2	4	\$ 167.75	\$ 671
Annual Pre-emergent Spraying	1	1	4	4	\$ 167.75	\$ 671
HVAC Maintenance	2	1	4	8	\$ 167.75	\$ 1,342
TOTAL				224		\$ 37,576
<u>Equipment Maintenance (Other)</u>						
ACTIVITY	FREQUENCY (YEARS)	# OF UNITS	UNIT HOURS	TOTAL HOURS	BILLING RATE (HOURLY)	TOTAL (\$)
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 services, 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.

²No planned work for the remainder of 2016. \$5K accounts for emergent hazard/danger trees identified.									
EQUIPMENT MAINTENANCE (Jun '16 - Dec '16)									
	FREQUENCY				COMPANY			CONTRACTOR	
	(remaining			TOTAL			TOTAL	BILLING	
ACTIVITY	within YEAR	# OF UNITS	UNIT HOURS		BILLING RATE	TOTAL (\$)	ANNUAL	RATE	TOTAL (\$)
	2016)			ANNUAL HOURS	(HOURLY)		HOURS	(HOURLY)	
Monthly #1 Inspections	7	1	1	7	\$ 167.75	\$ 1,174			\$ -
Quarterly Bk. 1112 Oil Sample	2	2	4	16	\$ 167.75	\$ 2,684		\$ 60.00	\$ 240
Monthly Generator Runs	7	1	6	42	\$ 167.75	\$ 7,046			\$ -
Monthly DME Downloads	7	1	4	28	\$ 167.75	\$ 4,697			\$ -
Environmental Assesment (SWPPP)	7	1	2	14	\$ 167.75	\$ 2,349	2	\$ 100.00	\$ 1,400
Semi-annual IR Inspection	1	1	2	2	\$ 167.75	\$ 336	2	\$ 125.00	\$ 250
HVAC Maintenance	1	1	4	4	\$ 167.75	\$ 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 services, etc.