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SERVICE AGREEMENT NO. 2216

PUBLIC

SERVICE AGREEMENT NO. 2216

TRANSMISSION FACILITY

INTERCONNECTION AGREEMENT

BY AND BETWEEN

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.   
 AND

ORANGE AND ROCKLAND UTILITIES, INC.

Dated As May 27, 2015

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TRANSMISSION FACILITY INTERCONNECTION AGREEMENT

THIS FACILITY INTERCONNECTION AGREEMENT (“Agreement”) is made   
and entered into this 27th day of May, 2015 , by and between among Consolidated Edison   
Company of New York, Inc., a corporation organized and existing under the laws of the State of New York (“Connecting Transmission Owner”), and Orange and Rockland Utilities, Inc., a   
corporation organized and existing under the laws of the State of New York (“Developer”).   
Developer or Connecting Transmission Owner each may be referred to as a “Party” or   
collectively referred to as the “Parties”

RECITALS

WHEREAS, the New York Independent System Operator (“NYISO”) operates the Transmission System in New York State and the Connecting Transmission Owner owns transmission facilities electrically located in New York State; and

WHEREAS, Connecting Transmission Owner is the owner of transmission facilities known as the 345 kV Ramapo Substation, which includes breakers, grounding equipment, and other equipment which is collectively referred to as the “345 kV Ramapo Facility”;

WHEREAS, the Developer is the owner of a transmission facility known as the 138 kV Ramapo Substation, which includes breakers, grounding equipment, and other equipment which is collectively referred to as the “138kV Ramapo Facility”;

WHEREAS, the Developer is also the owner of an existing transmission facility known as the 138kV Sugarloaf Substation, which includes breakers, grounding equipment, and other equipment which is collectively referred to as the “138kV Sugarloaf Facility”;

WHEREAS, the Developer has constructed and operates a transmission line between the 138kV Ramapo Facility and 138kV Sugarloaf Facility, which has been designed to operate at 345kV, and is referred to as the “Developer’s Transmission Line”;

WHEREAS, the Developer currently operates the Developer’s Transmission Line at a 138kV level and will change the point of interconnection from the 138kV Ramapo Facility to the 345kV Ramapo Facility;

WHEREAS, the Developer has agreed to operate the Developer’s Transmission Line at a 345kv level and to have installed a step down transformer at the Sugarloaf Substation;

WHEREAS, the Connecting Transmission Owner proposed, and the PSC accepted as a   
partial solution to the calculated reliability need, a project that includes the Reliability Project;

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WHEREAS, the Reliability Project will require in part, reconnecting the Developer’s Transmission Line into the 345 kV Ramapo Facility;

WHEREAS, the reconnection of the Transmission Project from the 138 kV Ramapo   
Facility to the 345kV Ramapo facility will require certain modifications to the 345 kV Ramapo   
Facility;

WHEREAS, the reconnection of the Transmission Project from the 138 kV Sugarloaf Facility to the 345kV Sugarloaf facility will require certain modifications to the Sugarloaf facility, both of which will be owned by the Developer;

WHEREAS, Developer and the Connecting Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Transmission Project to the 345 kV Ramapo Facility which is within the New York State Transmission System;

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

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ARTICLE 1. DEFINITIONS

Whenever used in this Agreement with initial capitalization, the following terms shall   
have the meanings specified in this Article 1. Terms used in this Agreement with initial   
capitalization that are not defined in this Article 1, shall have the meanings specified in Section

30.1.0 or Attachment S of the NYISO OATT.

Affected System shall mean an electric system other than the transmission system owned, controlled or operated by the Connecting Transmission Owner or the Developer that may be affected by the proposed interconnection.

Affected System Operator shall mean an entity that operates an Affected System.

Affected Transmission Owner shall mean a New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the Tariff, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Upgrade Facilities are installed pursuant to   
Attachment X and Attachment S of the Tariff.

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

Agreement shall have the meaning set forth in the preamble.

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

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

Applicable Reliability Standards shall mean the requirements and guidelines of the   
Applicable Reliability Councils, and the Transmission District to which the Developer’s   
Transmission Project is directly interconnected, as those requirements and guidelines are   
amended and modified and in effect from time to time; provided that no Party shall waive its

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right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of this Agreement.

Attachment Facilities shall mean the Connecting Transmission Owner’s Attachment Facilities and the Developer’s Attachment Facilities. Collectively, Attachment Facilities   
include all facilities and equipment between the Transmission Project and the Point of   
Interconnection, including any modification, additions or upgrades that are necessary to   
physically and electrically interconnect the Transmission Project to the New York State   
Transmission System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities or System Upgrade Facilities.

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

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

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

Byway shall mean all transmission facilities comprising the New York State

Transmission System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

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

Commercial Operation shall mean the status of a Transmission Project that has

commenced transmitting electricity, excluding electricity transmitted during Trial Operation.

Commercial Operation Date shall mean the date on which the Transmission Project   
commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to this   
Agreement.

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

Connecting Transmission Owner shall have the meaning set forth in the preamble to the Agreement.

Connecting Transmission Owner’s Attachment Facilities shall mean all facilities and   
equipment owned, controlled or operated by the Connecting Transmission Owner from the   
Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to   
this Agreement, including any modifications, additions or upgrades to such facilities and

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equipment. Connecting Transmission Owner’s Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities or System Upgrade Facilities.

Control Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (1) match, at all times, the power output of the Generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the Load within the electric power system(s); (2) maintain scheduled interchange with other Control   
Areas, within the limits of Good Utility Practice; (3) maintain the frequency of the electric   
power system(s) within reasonable limits in accordance with Good Utility Practice; and (4)   
provide sufficient generating capacity to maintain Operating Reserves in accordance with Good Utility Practice. A Control Area must be certified by the NPCC.

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

Developer shall have the meaning set forth in the preamble.

Developer’s Attachment Facilities shall mean all facilities and equipment, as identified   
in Appendix A of this Agreement, that are located between the Transmission Project and the   
Point of Change of Ownership, including any modification, addition, or upgrades to such   
facilities and equipment necessary to physically and electrically interconnect the Transmission   
Project to the New York State Transmission System. Developer’s Attachment Facilities are   
sole use facilities.

Dispute Resolution shall mean the procedure described in Article 27 of this Agreement for resolution of a dispute between the Parties.

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

Emergency State shall mean the condition or state that the New York State Power

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

Engineering & Procurement (E&P) Agreement shall mean an agreement that

authorizes Connecting Transmission Owner to begin engineering and procurement of long leadtime items necessary for the establishment of the interconnection in order to advance the   
implementation of the Interconnection Request.

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

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345kV Ramapo Facility shall mean all facilities and equipment physically owned by the Connecting Transmission Owner located at the 345 kV Ramapo Substation, as identified in Appendix A of this Agreement.

138kV Ramapo Facility shall mean all facilities and equipment owned by the

Developer located at the 138 kV Ramapo Substation, as identified in Appendix A of this Agreement.

345kV Sugarloaf Facility shall mean all facilities and equipment physically owned by the Developer located at the 345 kV Sugarloaf Substation, including a 345kV to 138kV   
transformer to be located near the existing Sugarloaf 138kV substation.

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

FERC shall mean the Federal Energy Regulatory Commission or its successor.

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

Good Utility Practice shall mean any of the practices, methods and acts engaged in or   
approved by a significant portion of the electric industry during the relevant time period, or any   
of the practices, methods and acts which, in the exercise of reasonable judgment in light of the   
facts known at the time the decision was made, could have been expected to accomplish the   
desired result at a reasonable cost consistent with good business practices, reliability, safety and   
expedition. Good Utility Practice is not intended to be limited to the optimum practice, method,   
or act to the exclusion of all others, but rather to delineate acceptable practices, methods, or acts   
generally accepted in the region.

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

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous

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materials”, “hazardous constituents”, “restricted hazardous materials”, “extremely hazardous substances”, “toxic substances”, “radioactive substances”, “contaminants”, “pollutants”, “toxic pollutants” or words of similar meaning and regulatory effect under any applicable   
Environmental Law, or any other chemical, material or substance, exposure to which is   
prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Transmission Project is initially synchronized with the New York State Transmission System and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Developer reasonably expects it will be ready to begin use of the Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities to obtain back feed power.

IRS shall mean the Internal Revenue Service.

Loss shall mean any and all losses relating to injury to or death of any person or damage   
to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all   
other obligations by or to third parties, arising out of or resulting from the Indemnified Party’s   
performance or non-performance of its obligations under this Agreement on behalf of the   
Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the   
Indemnified Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

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

Minimum Interconnection Standard shall mean the reliability standard that must be met by any Transmission Facility proposing to connect to the New York State Transmission System. The Standard is designed to ensure reliable access by the proposed project to the New York State Transmission System. The Standard does not impose any deliverability test or   
deliverability requirement on the proposed interconnection.

NERC shall mean the North American Electric Reliability Council or its successor organization.

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

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

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

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

Other Interfaces shall mean interfaces into New York capacity regions, Zone J and Zone K, and external ties into the New York Control Area.

Party or Parties shall have the meaning set forth in the preamble to the Agreement.

Point of Change of Ownership (PCO) shall mean the point, as set forth in Appendix A to this Agreement, where the Developer’s Attachment Facilities connects to the Connecting Transmission Owner’s Attachment Facilities.

Point of Interconnection (POI) shall mean the point, as set forth in Appendix A to this Agreement, where the Transmission Project connects to the Connecting Transmission Owner’s System Upgrade Facilities.

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

Reliability Project shall mean generally, once modifications are completed, the

Transmission Line which shall begin interconnection at the 345 kV Ramapo Facility and

terminate at with the Rock Tavern Substation, which is owned and operated by Central Hudson Gas & Electric Corp., as described in this Agreement and the Appendices hereto.

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

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that a   
Developer may construct without affecting day-to-day operations of the New York State   
Transmission System during their construction. The Connecting Transmission Owner and the   
Developer must agree as to what constitutes Stand Alone System Upgrade Facilities.

System Protection Facilities shall mean the equipment, including necessary protection   
signal communications equipment, required to (1) protect the New York State Transmission

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System from faults or other electrical disturbances occurring at the Transmission Project and (2) protect the Transmission Project from faults or other electrical system disturbances occurring on the New York State Transmission System or on other delivery systems or other generating   
systems to which the New York State Transmission System is directly connected.

System Upgrade Facilities shall mean the least costly configuration of commercially   
available components of electrical equipment that can be used, consistent with Good Utility   
Practice and Applicable Reliability Requirements, to make the modifications to the existing   
transmission system that are required to maintain system reliability due to: (i) changes in the   
system, including such changes as load growth and changes in load pattern, to be addressed in   
the form of generic generation or transmission projects; and (ii) proposed interconnections.

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

Transmission Project shall mean all facilities and equipment as identified in Appendix A of this Agreement.

Transmission Line shall mean the existing transmission line known as feeder 28 which   
runs between the existing 138kV Ramapo Facility and the existing 138 kV Sugarloaf Facility   
which are both owned and operated by the Developer, The Transmission Line has been   
designed and constructed for future operation at 345 kV but is currently operated at 138 kV.

Trial Operation shall mean the period during which Developer is engaged in on-site

test operations and commissioning of the Transmission Project prior to Commercial Operation.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties,

subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC. The Connecting Transmission Owner and the Developer shall promptly file this   
Agreement with FERC upon execution in accordance with Article 3.1.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this Agreement shall

remain in effect for a period of twenty (25) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination.

2.3.1 Written Notice. This Agreement may be terminated by the Developer after

giving the Connecting Transmission Owner ninety (90) Calendar Days advance

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written notice at any time during the term of this Agreement, or by the

Connecting Transmission Owner notifying FERC after the Transmission Project permanently ceases Commercial Operations.

2.3.2 Default. Either Party may terminate this Agreement in accordance with Article

17.

2.3.3 Compliance. Notwithstanding Articles 2.3.1 and 2.3.2, no termination of this   
 Agreement shall become effective until the Parties have complied with all   
 Applicable Laws and Regulations applicable to such termination, including the   
 filing with FERC of a notice of termination of this Agreement, which notice has   
 been accepted for filing by FERC.

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article

2.3.1 above, the terminating Party shall pay all costs incurred (including any

cancellation costs relating to orders or contracts for Attachment Facilities and

equipment) or charges assessed by the other Party, as of the date of the other Party's

receipt of such notice of termination, that are the responsibility of the terminating Party under this Agreement. In the event of termination by a Party, the other Party shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this Agreement, unless otherwise   
ordered or approved by FERC:

2.4.1 With respect to any portion of the Connecting Transmission Owner’s Attachment

Facilities that have not yet been constructed or installed, the Connecting

Transmission Owner shall to the extent possible and with Developer’s

authorization cancel any pending orders of, or return, any materials or equipment   
for, or contracts for construction of, such facilities; provided that in the event   
Developer elects not to authorize such cancellation, Developer shall assume all   
payment obligations with respect to such materials, equipment, and contracts,   
and the Connecting Transmission Owner shall deliver such material and   
equipment, and, if necessary, assign such contracts, to Developer as soon as   
practicable, at Developer’s expense. To the extent that Developer has already   
paid Connecting Transmission Owner for any or all such costs of materials or   
equipment not taken by Developer, Connecting Transmission Owner shall   
promptly refund such amounts to Developer, less any costs, including penalties   
incurred by the Connecting Transmission Owner to cancel any pending orders of   
or return such materials, equipment, or contracts.

If Developer terminates this Agreement, it shall be responsible for all costs incurred in association with Developer’s interconnection, including any   
cancellation costs relating to orders or contracts for Attachment Facilities and equipment, and other expenses including any System Upgrade Facilities for which the Connecting Transmission Owner has incurred expenses and has not been reimbursed by the Developer.

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2.4.2 Connecting Transmission Owner may, at its option, retain any portion of such   
 materials, equipment, or facilities that Developer chooses not to accept delivery   
 of, in which case Connecting Transmission Owner shall be responsible for all   
 costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Attachment Facilities, and any other facilities   
 already installed or constructed pursuant to the terms of this Agreement,   
 Developer shall be responsible for all costs associated with the removal,   
 relocation or other disposition or retirement of such materials, equipment, or   
 facilities.

2.5 Survival. This Agreement shall continue in effect after termination to the extent

necessary to provide for final billings and payments and for costs incurred hereunder;

including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit Developer and   
Connecting Transmission Owner each to have access to the lands of the other pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. Connecting Transmission Owner and the Developer shall file this Agreement

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

ARTICLE 4. SCOPE OF INTERCONNECTION SERVICE

4.1 Reserved.

4.2 No Transmission Delivery Service. The execution of this Agreement does not

constitute a request for, nor an agreement to provide, any Transmission Service under   
the NYISO OATT, and does not convey any right to deliver electricity to any specific   
customer or Point of Delivery. If Developer wishes to obtain Transmission Service on

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the New York State Transmission System, then Developer must request such   
Transmission Service in accordance with the provisions of the NYISO OATT.

4.3 No Other Services. The execution of this Agreement does not constitute a request for,

nor an agreement to provide Energy, any Ancillary Services or Installed Capacity under the NYISO Market Administration and Control Area Services Tariff (“Services Tariff”). If Developer wishes to supply Energy, Installed Capacity or Ancillary Services, then   
Developer will make application to do so in accordance with the NYISO Services Tariff and the NYISO Installed Capacity Manual. This Agreement does not in any way alter   
the Transmission Project’s eligibility for Unforced Capacity Deliverability Rights to the extent such Unforced Capacity Deliverability Rights are requested by the Developer   
after execution of this Agreement.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT,   
 AND CONSTRUCTION

5.1 Options. Unless otherwise mutually agreed to by Developer and Connecting

Transmission Owner, Developer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities as set forth in Appendix A hereto, and such dates and selected option shall be set forth in Appendix B hereto.

5.1.1 Standard Option. The Connecting Transmission Owner shall design, procure,   
 and construct the Connecting Transmission Owner’s Attachment Facilities and   
 System Upgrade Facilities, using Reasonable Efforts to complete the Connecting   
 Transmission Owner’s Attachment Facilities and System Upgrade Facilities by   
 the dates set forth in Appendix B hereto. The Connecting Transmission Owner   
 shall not be required to undertake any action which is inconsistent with its   
 standard safety practices, its material and equipment specifications, its design   
 criteria and construction procedures, its labor agreements, and Applicable Laws   
 and Regulations. In the event the Connecting Transmission Owner reasonably   
 expects that it will not be able to complete the Connecting Transmission Owner’s   
 Attachment Facilities and System Upgrade Facilities, by the specified dates, the   
 Connecting Transmission Owner shall promptly provide written notice to the   
 Developer and NYISO, and shall undertake Reasonable Efforts to meet the   
 earliest dates thereafter.

5.1.2 Alternate Option. If the dates designated by Developer are acceptable to

Connecting Transmission Owner, the Connecting Transmission Owner shall so notify Developer within thirty (30) Calendar Days, and shall assume   
responsibility for the design, procurement and construction of the System   
Upgrade Facilities by the designated dates.

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5.1.3 Option to Build. If the dates designated by Developer are not acceptable to

Connecting Transmission Owner, the Connecting Transmission Owner shall so notify the Developer within thirty (30) Calendar Days, and unless the Developer and Connecting Transmission Owner agree otherwise, Developer shall have the option to assume responsibility for the design, procurement and construction of System Upgrade Facilities on the dates specified in Article 5.1.2.

5.1.4 Negotiated Option. If the Developer elects not to exercise its option under

Article 5.1.3, Option to Build, Developer shall so notify Connecting

Transmission Owner within thirty (30) Calendar Days, and the Developer and   
Connecting Transmission Owner shall in good faith attempt to negotiate terms   
and conditions (including revision of the specified dates and liquidated damages,   
the provision of incentives or the procurement and construction of a portion of   
the Connecting Transmission Owner’s Attachment Facilities and Stand Alone   
System Upgrade Facilities by Developer) pursuant to which Connecting

Transmission Owner is responsible for the design, procurement and construction of the Connecting Transmission Owner’s Attachment Facilities and System   
Upgrade Facilities. If the two Parties are unable to reach agreement on such   
terms and conditions, Connecting Transmission Owner shall assume   
responsibility for the design, procurement and construction of the Connecting   
Transmission Owner’s Attachment Facilities and System Upgrades Facilities   
pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Developer assumes

responsibility for the design, procurement and construction of System Upgrade

Facilities,

(1) Developer shall engineer, procure equipment, and construct System Upgrade Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Connecting Transmission Owner;

(2) Developer’s engineering, procurement and construction of the System Upgrade Facilities shall comply with all requirements of law to which Connecting Transmission Owner would be subject in the engineering, procurement or construction of the System Upgrade Facilities;

(3) Connecting Transmission Owner shall review and approve the engineering   
design, equipment acceptance tests, and the construction of the System Upgrade   
Facilities;

(4) Prior to commencement of construction, Developer shall provide to Connecting   
Transmission Owner a schedule for construction of the System Upgrade Facilities, and   
shall promptly respond to requests for information from Connecting Transmission   
Owner;

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(5) At any time during construction, Connecting Transmission Owner shall have the right to gain unrestricted access to the System Upgrade Facilities and to conduct   
inspections of the same;

(6) At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Connecting Transmission Owner’s System Upgrade Facilities not meet the standards and specifications provided by Connecting   
Transmission Owner, the Developer shall be obligated to remedy deficiencies in that portion of the System Upgrade Facilities;

(7) Developer shall indemnify Connecting Transmission Owner for claims arising from the Developer’s construction of System Upgrade Facilities under procedures applicable to Article 18.1 Indemnity;

(8) Developer shall transfer control of System Upgrade Facilities to the Connecting

Transmission Owner;

(9) Unless the Developer and Connecting Transmission Owner otherwise agree,

Developer shall transfer ownership of System Upgrade Facilities to Connecting

Transmission Owner;

(10) The Connecting Transmission Owner shall be responsible for operation and

maintenance the System Upgrade Facilities to the extent engineered, procured, and

constructed in accordance with this Article 5.2, and Connecting Transmission Owner

may transfer that responsibility to a third party by contract.

5.3 Reserved.

5.4 Reserved.

5.5 Reserved.

5.6 Construction Commencement.

The Connecting Transmission Owner or Developer shall commence construction of the Transmission Project for which it is responsible as soon as practicable after the   
following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Transmission Project;

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5.6.3 The Connecting Transmission Owner has received written authorization to   
proceed with construction from the Developer by the date specified in Appendix B   
hereto; and

5.7 Work Progress. The Developer and Connecting Transmission Owner will keep each

other advised periodically as to the progress of their respective design, procurement and   
construction efforts. Either Party may, at any time, request a progress report from the   
other Party. If, at any time, the Developer determines that the completion of the   
Connecting Transmission Owner’s Attachment Facilities will not be required until after   
the specified In-Service Date, the Developer will provide written notice to the   
Connecting Transmission Owner of such later date upon which the completion of the   
Connecting Transmission Owner’s Attachment Facilities will be required.

5.8 Information Exchange. As soon as reasonably practicable after the Effective Date, the

Developer and Connecting Transmission Owner shall exchange information, regarding the design and compatibility of the Attachment Facilities and compatibility of the   
Attachment Facilities with the New York State Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Reserved.

5.10 Reserved.

5.11 Reserved.

5.12 Access Rights. Upon reasonable notice and supervision by the Granting Party, and

subject to any required or necessary regulatory approvals from a Governmental

Authority, either the Connecting Transmission Owner or Developer (“Granting Party”)   
shall furnish to the other Party (“Access Party”) at no cost any rights of use, licenses,   
rights of way and easements with respect to lands owned or controlled by the Granting   
Party, its agents (if allowed under the applicable agency agreement), or any Affiliate,   
that are necessary to enable the Access Party to obtain ingress and egress at the Point of   
Interconnection to construct, operate, maintain, repair, test (or witness testing), inspect,   
replace or remove facilities and equipment to: (i) interconnect the Transmission Project   
with the New York State Transmission System; (ii) operate and maintain the

Transmission Project, the Attachment Facilities and the New York State Transmission   
System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon   
termination of this Agreement. In exercising such licenses, rights of way and easements,   
the Access Party shall not unreasonably disrupt or interfere with normal operation of the   
Granting Party’s business and shall adhere to the safety rules and procedures established   
in advance, as may be changed from time to time, by the Granting Party and provided to   
the Access Party. The Access Party shall indemnify the Granting Party against all

claims of injury or damage from third parties resulting from the exercise of the access rights provided for herein.

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5.13 Lands of Other Property Owners. If any part of the Connecting Transmission

Owner’s Attachment Facilities and/or System Upgrade Facilities is to be installed on   
property owned by persons other than Developer or Connecting Transmission Owner,   
the Connecting Transmission Owner shall at Developer’s expense use efforts, similar in nature and extent to those that it typically undertakes for its own or affiliated generation, including use of its eminent domain authority, and to the extent consistent with state   
law, to procure from such persons any rights of use, licenses, rights of way and   
easements that are necessary to construct, operate, maintain, test, inspect, replace or   
remove the Connecting Transmission Owner’s Attachment Facilities and/or System   
Upgrade Facilities upon such property.

5.14 Permits. Connecting Transmission Owner and the Developer shall cooperate with each

other in good faith in obtaining all permits, licenses and authorizations that are necessary   
to accomplish the interconnection in compliance with Applicable Laws and Regulations.   
With respect to this paragraph, Connecting Transmission Owner shall provide   
permitting assistance to the Developer comparable to that provided to the Connecting   
Transmission Owner’s own, or an Affiliate’s generation or transmission facilities, if any.

5.15 Reserved.

5.16 Reserved.

5.17 Taxes.

5.17.1 Developer Payments Not Taxable. The Developer and Connecting

Transmission Owner intend that all payments or property transfers made by

Developer to Connecting Transmission Owner for the installation of the

Connecting Transmission Owner’s Attachment Facilities and the System

Upgrade Facilities shall be non-taxable, either as contributions to capital, or as an   
advance, in accordance with the Internal Revenue Code and any applicable state   
income tax laws and shall not be taxable as contributions in aid of construction   
or otherwise under the Internal Revenue Code and any applicable state income   
tax laws.

5.17.2 Representations and Covenants. In accordance with IRS Notice 2001-82 and

IRS Notice 88-129, as applicable to this Transmission Project, Developer

represents and covenants that (i) ownership of the electricity transmitted on the   
Transmission Project will pass to another party prior to the transmission of the   
electricity on the New York State Transmission System, (ii) for income tax   
purposes, the amount of any payments and the cost of any property transferred to   
the Connecting Transmission Owner for the Connecting Transmission Owner’s   
Attachment Facilities will be capitalized by Developer as an intangible asset and   
recovered using the straight-line method over a useful life of twenty (20) years,   
and (iii) any portion of the Connecting Transmission Owner’s Attachment   
Facilities that is a “dual-use intertie,” within the meaning of IRS Notice 88-129,

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is reasonably expected to carry only a deminimis amount of electricity in the direction of the Transmission Project. For this purpose, “deminimis amount” means no more than 5 percent of the total power flows in both directions,   
calculated in accordance with the “5 percent test” set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Connecting Transmission Owner’s request, Developer shall provide

Connecting Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Connecting Transmission Owner represents and covenants that the cost of the Connecting Transmission Owner’s Attachment Facilities paid for by Developer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability

Imposed Upon the Connecting Transmission Owner. Notwithstanding

Article 5.17.1, Developer shall protect, indemnify and hold harmless Connecting   
Transmission Owner from the cost consequences of any current tax liability   
imposed against Connecting Transmission Owner as the result of payments or   
property transfers made by Developer to Connecting Transmission Owner under   
this Agreement, as well as any interest and penalties, other than interest and   
penalties attributable to any delay caused by Connecting Transmission Owner.

Connecting Transmission Owner shall not include a gross-up for the cost

consequences of any current tax liability in the amounts it charges Developer   
under this Agreement unless (i) Connecting Transmission Owner has   
determined, in good faith, that the payments or property transfers made by   
Developer to Connecting Transmission Owner should be reported as income   
subject to taxation or (ii) any Governmental Authority directs Connecting   
Transmission Owner to report payments or property as income subject to   
taxation; provided, however, that Connecting Transmission Owner may require   
Developer to provide security, in a form reasonably acceptable to Connecting   
Transmission Owner (such as a parental guarantee or a letter of credit), in an   
amount equal to the cost consequences of any current tax liability under this   
Article 5.17. Developer shall reimburse Connecting Transmission Owner for   
such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within   
thirty (30) Calendar Days of receiving written notification from Connecting   
Transmission Owner of the amount due, including detail about how the amount   
was calculated.

This indemnification obligation shall terminate at the earlier of (1) the expiration   
of the ten-year testing period and the applicable statute of limitation, as it may be   
extended by the Connecting Transmission Owner upon request of the IRS, to   
keep these years open for audit or adjustment, or (2) the occurrence of a

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subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Developer’s liability for the cost consequences of any

current tax liability under this Article 5.17 shall be calculated on a fully grossed-  
up basis. Except as may otherwise be agreed to by the parties, this means that   
Developer will pay Connecting Transmission Owner, in addition to the amount   
paid for the Attachment Facilities and System Upgrade Facilities, an amount   
equal to (1) the current taxes imposed on Connecting Transmission Owner   
(“Current Taxes”) on the excess of (a) the gross income realized by Connecting   
Transmission Owner as a result of payments or property transfers made by   
Developer to Connecting Transmission Owner under this Agreement (without   
regard to any payments under this Article 5.17) (the “Gross Income Amount”)   
over (b) the present value of future tax deductions for depreciation that will be   
available as a result of such payments or property transfers (the “Present Value   
Depreciation Amount”), plus (2) an additional amount sufficient to permit the   
Connecting Transmission Owner to receive and retain, after the payment of all   
Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Connecting

Transmission Owner’s composite federal and state tax rates at the time the

payments or property transfers are received and Connecting Transmission Owner   
will be treated as being subject to tax at the highest marginal rates in effect at   
that time (the “Current Tax Rate”), and (ii) the Present Value Depreciation   
Amount shall be computed by discounting Connecting Transmission Owner’s   
anticipated tax depreciation deductions as a result of such payments or property   
transfers by Connecting Transmission Owner’s current weighted average cost of   
capital. Thus, the formula for calculating Developer’s liability to Connecting   
Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows:   
(Current Tax Rate x (Gross Income Amount - Present Value of Tax   
Depreciation))/(1 - Current Tax Rate).

Developer’s estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Attachment Facilities and System Upgrade Facilities.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Developer’s

request and expense, Connecting Transmission Owner shall file with the IRS a   
request for a private letter ruling as to whether any property transferred or sums   
paid, or to be paid, by Developer to Connecting Transmission Owner under this   
Agreement are subject to federal income taxation. Developer will prepare the   
initial draft of the request for a private letter ruling, and will certify under   
penalties of perjury that all facts represented in such request are true and accurate   
to the best of Developer’s knowledge. Connecting Transmission Owner and   
Developer shall cooperate in good faith with respect to the submission of such   
request.

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Connecting Transmission Owner shall keep Developer fully informed of the

status of such request for a private letter ruling and shall execute either a privacy   
act waiver or a limited power of attorney, in a form acceptable to the IRS, that   
authorizes Developer to participate in all discussions with the IRS regarding such   
request for a private letter ruling. Connecting Transmission Owner shall allow   
Developer to attend all meetings with IRS officials about the request and shall   
permit Developer to prepare the initial drafts of any follow-up letters in

connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the

relevant Connecting Transmission Owner Attachment Facilities are placed in   
service, (i) Developer Breaches the covenants contained in Article 5.17.2, (ii) a   
“disqualification event” occurs within the meaning of IRS Notice 88-129, or (iii)   
this Agreement terminates and Connecting Transmission Owner retains   
ownership of the Attachment Facilities and System Upgrade Facilities, the   
Developer shall pay a tax gross-up for the cost consequences of any current tax   
liability imposed on Connecting Transmission Owner, calculated using the   
methodology described in Article 5.17.4 and in accordance with IRS Notice 90-

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5.17.7 Contests. In the event any Governmental Authority determines that Connecting

Transmission Owner’s receipt of payments or property constitutes income that is   
subject to taxation, Connecting Transmission Owner shall notify Developer, in   
writing, within thirty (30) Calendar Days of receiving notification of such   
determination by a Governmental Authority. Upon the timely written request by   
Developer and at Developer’s sole expense, Connecting Transmission Owner   
may appeal, protest, seek abatement of, or otherwise oppose such determination.   
Upon Developer’s written request and sole expense, Connecting Transmission   
Owner may file a claim for refund with respect to any taxes paid under this   
Article 5.17, whether or not it has received such a determination. Connecting   
Transmission Owner reserves the right to make all decisions with regard to the   
prosecution of such appeal, protest, abatement or other contest, including the   
selection of counsel and compromise or settlement of the claim, but Connecting   
Transmission Owner shall keep Developer informed, shall consider in good faith   
suggestions from Developer about the conduct of the contest, and shall   
reasonably permit Developer or an Developer representative to attend contest   
proceedings.

Developer shall pay to Connecting Transmission Owner on a periodic basis, as

invoiced by Connecting Transmission Owner, Connecting Transmission Owner’s   
documented reasonable costs of prosecuting such appeal, protest, abatement or   
other contest. At any time during the contest, Connecting Transmission Owner   
may agree to a settlement either with Developer’s consent or after obtaining   
written advice from nationally-recognized tax counsel, selected by Connecting   
Transmission Owner, but reasonably acceptable to Developer, that the proposed   
settlement represents a reasonable settlement given the hazards of litigation.

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Developer’s obligation shall be based on the amount of the settlement agreed to by Developer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Developer’s consent or such written advice will relieve Developer from any obligation to indemnify Connecting Transmission   
Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Connecting

Transmission Owner which holds that any amount paid or the value of any

property transferred by Developer to Connecting Transmission Owner under the   
terms of this Agreement is not subject to federal income taxation, (b) any   
legislative change or administrative announcement, notice, ruling or other   
determination makes it reasonably clear to Connecting Transmission Owner in   
good faith that any amount paid or the value of any property transferred by   
Developer to Connecting Transmission Owner under the terms of this Agreement   
is not taxable to Connecting Transmission Owner, (c) any abatement, appeal,   
protest, or other contest results in a determination that any payments or transfers   
made by Developer to Connecting Transmission Owner are not subject to federal   
income tax, or (d) if Connecting Transmission Owner receives a refund from any   
taxing authority for any overpayment of tax attributable to any payment or   
property transfer made by Developer to Connecting Transmission Owner   
pursuant to this Agreement, Connecting Transmission Owner shall promptly   
refund to Developer the following:

(i) Any payment made by Developer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) Interest on any amounts paid by Developer to Connecting   
Transmission Owner for such taxes which Connecting Transmission   
Owner did not submit to the taxing authority, calculated in accordance   
with the methodology set forth in FERC’s regulations at 18 C.F.R.   
§35.19a(a)(2)(iii) from the date payment was made by Developer to the   
date Connecting Transmission Owner refunds such payment to   
Developer, and

(iii) With respect to any such taxes paid by Connecting Transmission   
Owner, any refund or credit Connecting Transmission Owner receives or   
to which it may be entitled from any Governmental Authority, interest (or   
that portion thereof attributable to the payment described in clause (i),   
above) owed to the Connecting Transmission Owner for such   
overpayment of taxes (including any reduction in interest otherwise   
payable by Connecting Transmission Owner to any Governmental

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Authority resulting from an offset or credit); provided, however, that

Connecting Transmission Owner will remit such amount promptly to

Developer only after and to the extent that Connecting Transmission

Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to the Connecting Transmission Owner’s Attachment Facilities.

The intent of this provision is to leave both the Developer and

Connecting Transmission Owner, to the extent practicable, in the event   
that no taxes are due with respect to any payment for Attachment   
Facilities and System Upgrade Facilities hereunder, in the same position   
they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Developer, and

at Developer’s sole expense, Connecting Transmission Owner shall appeal,   
protest, seek abatement of, or otherwise contest any tax (other than federal or   
state income tax) asserted or assessed against Connecting Transmission Owner   
for which Developer may be required to reimburse Connecting Transmission   
Owner under the terms of this Agreement. Developer shall pay to Connecting   
Transmission Owner on a periodic basis, as invoiced by Connecting

Transmission Owner, Connecting Transmission Owner’s documented reasonable   
costs of prosecuting such appeal, protest, abatement, or other contest. Developer   
and Connecting Transmission Owner shall cooperate in good faith with respect   
to any such contest. Unless the payment of such taxes is a prerequisite to an   
appeal or abatement or cannot be deferred, no amount shall be payable by   
Developer to Connecting Transmission Owner for such taxes until they are   
assessed by a final, non-appealable order by any court or agency of competent   
jurisdiction. In the event that a tax payment is withheld and ultimately due and   
payable after appeal, Developer will be responsible for all taxes, interest and   
penalties, other than penalties attributable to any delay caused by Connecting   
Transmission Owner.

5.18 Tax Status; Non-Jurisdictional Entities.

5.18.1 Tax Status. Each Party shall cooperate with the other Parties to maintain the   
 other Parties’ tax status. Nothing in this Agreement is intended to adversely   
 affect the tax status of any Party including the status of NYISO, or the status of   
 any Connecting Transmission Owner with respect to the issuance of bonds   
 including, but not limited to, Local Furnishing Bonds. Notwithstanding any   
 other provisions of this Agreement, the Connecting Transmission Owner shall   
 not be required to comply with any provisions of this Agreement that would   
 result in the loss of tax-exempt status of any of their Tax-Exempt Bonds or   
 impair their ability to issue future tax-exempt obligations. For purposes of this   
 provision, Tax-Exempt Bonds shall include the obligations of the Connecting

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Transmission Owner the interest on which is not included in gross income under the Internal Revenue Code.

5.19 Modification.

5.19.1 General. Either the Developer or Connecting Transmission Owner may

undertake modifications to its facilities covered by this Agreement. If either the   
Developer or Connecting Transmission Owner plans to undertake a modification   
that reasonably may be expected to affect the other Party’s facilities, that Party   
shall provide to the other Party, sufficient information regarding such   
modification so that the other Party may evaluate the potential impact of such   
modification prior to commencement of the work. Such information shall be   
deemed to be Confidential Information hereunder and shall include information   
concerning the timing of such modifications and whether such modifications are   
expected to interrupt the flow of electricity from the Transmission Project. The   
Party desiring to perform such work shall provide the relevant drawings, plans,   
and specifications to the other Party at least ninety (90) Calendar Days in   
advance of the commencement of the work or such shorter period upon which   
the Parties may agree, which agreement shall not unreasonably be withheld,   
conditioned or delayed.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party’s

facilities shall be designed, constructed and operated in accordance with this Agreement, NYISO requirements and Good Utility Practice.

5.19.3 Modification Costs. Developer shall not be assigned the costs of any additions,

modifications, or replacements that Connecting Transmission Owner makes to   
the Connecting Transmission Owner’s Attachment Facilities or the New York   
State Transmission System to facilitate the interconnection of a third party to the   
Connecting Transmission Owner’s Attachment Facilities or the New York State   
Transmission System, or to provide Transmission Service to a third party under   
the NYISO OATT, except in accordance with the cost allocation procedures in   
Attachment S of the NYISO OATT. Developer shall be responsible for the costs   
of any additions, modifications, or replacements to the Developer Attachment   
Facilities that may be necessary to maintain or upgrade such Developer

Attachment Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the

Commercial Operation Date, the Connecting Transmission Owner shall test the

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Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities   
and Developer shall test the Transmission Project and the Developer’s Attachment   
Facilities to ensure their safe and reliable operation. Similar testing may be required   
after initial operation. Developer and Connecting Transmission Owner shall each make   
any modifications to its facilities that are found to be necessary as a result of such   
testing. The Developer has the right to test all System Upgrade Facilities located at the   
Sugarloaf Substation. The Connecting Transmission Owner shall bear the cost of all   
such testing and modifications.

6.2 Post-Commercial Operation Date Testing and Modifications. Consistent with

Section 10.5, Connecting Transmission Owner shall pay all the expenses associated with   
performing routine inspection and testing of the facilities and equipment in accordance   
with Good Utility Practice and Applicable Reliability Standards as may be necessary to   
provide for the continued interconnection of the Transmission Project with the New   
York State Transmission System in a safe and reliable manner. Developer and   
Connecting Transmission Owner shall each have the right, upon advance written notice,   
to require reasonable additional testing of the other Party’s facilities, at the Connecting   
Transmission Owner’s expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing. Developer and Connecting Transmission Owner shall each

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

6.4 Right to Inspect. Developer and Connecting Transmission Owner shall each have the

right, but shall have no obligation to: (i) observe the other Party’s tests and/or inspection   
of any of its System Protection Facilities and other protective equipment; (ii) review the   
settings of the other Party’s System Protection Facilities and other protective equipment;   
and (iii) review the other Party’s maintenance records relative to the Attachment   
Facilities, the System Protection Facilities and other protective equipment. A Party may   
exercise these rights from time to time as it deems necessary upon reasonable notice to   
the other Party. The exercise or non-exercise by a Party of any such rights shall not be   
construed as an endorsement or confirmation of any element or condition of the   
Attachment Facilities or the System Protection Facilities or other protective equipment   
or the operation thereof, or as a warranty as to the fitness, safety, desirability, or   
reliability of same. Any information that a Party obtains through the exercise of any of   
its rights under this Article 6.4 shall be treated in accordance with Article 22 of this   
Agreement and Attachment F to the NYISO OATT.

ARTICLE 7. METERING

7.1 General.

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Developer and Connecting Transmission Owner shall each comply with applicable

requirements of NYISO and the New York Public Service Commission when exercising   
its rights and fulfilling its responsibilities under this Article 7. Unless otherwise agreed   
by Connecting Transmission Owner and Developer, Connecting Transmission Owner   
shall install Metering Equipment at the Point of Interconnection prior to any operation of   
the Transmission Facility and shall own, operate, test and maintain such Metering   
Equipment. Net power flows including MW and MVAR, MWHR and loss profile data   
to and from the Transmission Facility shall be measured at the Point of Interconnection.   
Connecting Transmission Owner shall provide metering quantities, in analog and/or   
digital form, as required, to the Developer upon request. As negotiated between the   
Parties, the Connecting Transmission Owner shall bear all reasonable documented costs   
associated with the purchase, installation, operation, testing and maintenance of the   
Metering Equipment.

7.2 Local Meters.

Developer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more local meters to check Connecting Transmission Owner’s meters. Such local meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this Agreement, except as provided in Article 7.4 below. The local meters shall be subject at all   
reasonable times to inspection and examination by Connecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Developer in accordance with Good Utility Practice.

7.3 Standards.

Connecting Transmission Owner shall install, calibrate, and test revenue quality

Metering Equipment including potential transformers and current transformers in

accordance with applicable ANSI and PSC standards as detailed in the NYISO Control   
Center Communications Manual and in the NYISO Revenue Metering Requirements   
Manual.

7.4 Testing of Metering Equipment.

Connecting Transmission Owner shall inspect and test all of its Metering Equipment   
upon installation and at least once every two (2) years thereafter. If requested to do so   
by Developer, Connecting Transmission Owner shall, at Developer’s expense, inspect or   
test Metering Equipment more frequently than every two (2) years. Connecting   
Transmission Owner shall give reasonable notice of the time when any inspection or test   
shall take place, and Developer may have representatives present at the test or   
inspection. If at any time Metering Equipment is found to be inaccurate or defective, it   
shall be adjusted, repaired or replaced at Developer’s expense, in order to provide   
accurate metering, unless the inaccuracy or defect is due to Connecting Transmission   
Owner’s failure to maintain, then Connecting Transmission Owner shall pay. If   
Metering Equipment fails to register, or if the measurement made by Metering   
Equipment during a test varies by more than two percent from the measurement made by   
the standard meter used in the test, Connecting Transmission Owner shall adjust the   
measurements by correcting all measurements for the period during which Metering

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Equipment was in error by using Developer’s check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the   
adjustment shall be for the period immediately preceding the test of the Metering   
Equipment equal to one‐half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data.

At Developer’s expense, the metered data shall be telemetered to one or more locations designated by Connecting Transmission Owner, Developer and the NYISO. Such   
telemetered data shall be used, under normal operating conditions, as the official   
measurement of the amount of energy transmitted by the Transmission Facility at the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

8.1 Developer Obligations. In accordance with applicable NYISO requirements,

Developer shall maintain satisfactory operating communications with Connecting   
Transmission Owner and the NYISO. The Connecting Transmission Owner shall   
provide standard voice line, dedicated voice line and facsimile communications at its   
transmission control room or central dispatch facility through use of either the public   
telephone system, or a voice communications system that does not rely on the public   
telephone system. The Connecting Transmission Owner shall also provide the dedicated   
data circuit(s) necessary to provide Developer data to Connecting Transmission Owner   
and the NYISO as set forth in Appendix A hereto. The data circuit(s) shall extend from   
the Transmission Project to the location(s) specified by Connecting Transmission   
Owner, Developer and the NYISO. Any required maintenance of such communications   
equipment shall be performed by Developer at the Connecting Transmission Owner’s   
expense. Operational communications shall be activated and maintained under, but not   
be limited to, the following events: system paralleling or separation, scheduled and   
unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Transmission

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

Each Party will promptly advise the other Party if it detects or otherwise learns of any   
metering, telemetry or communications equipment errors or malfunctions that require

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the attention and/or correction by that other Party. The other Party owning such   
equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and

remain the property of the Party providing such equipment regardless of the mode and   
manner of annexation or attachment to real property, unless otherwise mutually agreed   
by the Party providing such equipment and the Party receiving such equipment.

ARTICLE 9. OPERATIONS

9.1 General. Each Party shall comply with Applicable Laws and Regulations and

Applicable Reliability Standards. Each Party shall provide to the other Parties all information that may reasonably be required by the other Parties to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Connecting Transmission Owner Obligations. Connecting Transmission Owner

shall cause the New York State Transmission System and the Connecting Transmission   
Owner’s Attachment Facilities to be operated, maintained and controlled in a safe and   
reliable manner in accordance with this Agreement and the NYISO Tariffs. Connecting   
Transmission Owner may provide operating instructions to Developer consistent with   
this Agreement, NYISO procedures and Connecting Transmission Owner’s operating   
protocols and procedures as they may change from time to time. Connecting

Transmission Owner will consider changes to its respective operating protocols and procedures proposed by Developer.

9.3 Developer Obligations. Developer shall at its own expense operate, maintain and

control the Transmission Project and the Developer Attachment Facilities in a safe and reliable manner and in accordance with this Agreement. Developer shall operate the Transmission Project and the Developer’s Attachment Facilities in accordance with NYISO and Connecting Transmission Owner requirements.

9.4 Start-Up and Synchronization. Consistent with the mutually acceptable procedures of

the Developer and Connecting Transmission Owner, the Developer is responsible for the proper synchronization of the Transmission Project to the New York State Transmission System in accordance with the NYISO, and Connecting Transmission Owner procedures and requirements.

9.5 Reserved.

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9.6 Outages and Interruptions.

9.6.1 Outages.

9.6.1.1 Outage Authority and Coordination. Developer and Connecting

Transmission Owner may each, in accordance with NYISO

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

9.6.1.2 Outage Schedules. Developer shall post scheduled outages of its

transmission facilities on the NYISO OASIS.

9.6.1.3 Outage Restoration. If an outage on the Attachment Facilities or

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

9.6.2 Interruption of Service. If required by Good Utility Practice or Applicable

Reliability Standards to do so, the NYISO or Connecting Transmission Owner may require Developer to interrupt or reduce transmission of electricity over the Transmission Project if such transmission could adversely affect the ability of NYISO and Connecting Transmission Owner to perform such activities as are necessary to safely and reliably operate and maintain the New York State   
Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.6.2:

9.6.2.1 The interruption or reduction shall continue only for so long as

reasonably necessary to: (a) protect its facilities from physical

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damage or to prevent injury or damage to persons or property under   
Good Utility Practice; or (b) comply with Applicable Reliability   
Standards;

9.6.2.2 Any such interruption or reduction shall be : (a) undertaken in

accordance with applicable NYISO procedures and directives; and (b)   
undertaken on an equitable, non-discriminatory basis with respect to   
all transmission facilities directly connected to that part of the New   
York State Transmission System owned by Connecting Transmission   
Owner;

9.6.2.3 When the interruption or reduction must be made under

circumstances which do not allow for advance notice or Connecting Transmission Owner shall notify Developer as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if   
known, its expected duration. Telephone notification shall be   
followed by written notification as soon as practicable;

9.6.2.4 Except during the existence of an Emergency State, when the

interruption or reduction can be scheduled without advance notice,   
Connecting Transmission Owner or Developer, as applicable, shall   
notify the other Party in advance regarding the timing of such   
scheduling and further notify the other Party of the expected   
duration. Connecting Transmission Owner shall coordinate with the   
Developer using Good Utility Practice to schedule the interruption or   
reduction during periods of least impact to the Developer, the   
Connecting Transmission Owner and the New York State   
Transmission System;

9.6.2.5 The Parties shall cooperate and coordinate with each other to the

extent necessary in order to restore the Transmission Project,

Attachment Facilities, and the New York State Transmission System   
to their normal operating state, consistent with system conditions and   
Good Utility Practice, and in accordance with the directives of the   
NYISO.

9.6.3 Under-Frequency and Over-Frequency Conditions. The New York State

Transmission System is designed to automatically activate a load-shed program   
as required by the NPCC in the event of an under-frequency system disturbance.   
Developer shall implement under-frequency and over-frequency relay set points   
for the Transmission Project as required by the NPCC to ensure the “ride   
through” capability of the New York State Transmission System. Transmission   
Project response to frequency deviations of predetermined magnitudes, both   
under-frequency and over-frequency deviations, shall be studied and coordinated   
with the NYISO and Connecting Transmission Owner in accordance with Good

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Utility Practice. The term “ride through” as used herein shall mean the ability of a ttransmission facility to stay connected to and synchronized with the New York State Transmission System during system disturbances within a range of underfrequency and over-frequency conditions, in accordance with Good Utility   
Practice and with criteria A 3.

9.6.4 System Protection and Other Control Requirements.

9.6.4.1 System Protection Facilities. Connecting Transmission Owner shall

have installed System Protection Facilities at the terminal substations   
as a part of the Transmission Project. Connecting Transmission   
Owner shall install at Developer’s expense any System Protection   
Facilities that may be required on the Connecting Transmission   
Owner Attachment Facilities or the New York State Transmission   
System as a result of the interconnection of the Transmission Project.

9.6.4.2 The protection facilities of both the Developer and Connecting

Transmission Owner shall be designed and coordinated with other systems in accordance with Good Utility Practice and Applicable Reliability Standards.

9.6.4.3 The Developer and Connecting Transmission Owner shall each be

responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.

9.6.4.4 The protective relay design of the Developer and Connecting

Transmission Owner shall each incorporate the necessary test

switches to perform the tests required in Article 6 of this Agreement. The required test switches will be placed such that they allow   
operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Developer’s Transmission Project or the Connecting Transmission Owner’s facilities.

9.6.4.5 Developer and Connecting Transmission Owner will each test,

operate and maintain System Protection Facilities in accordance with Good Utility Practice and NPCC criteria.

9.6.4.6 Prior to the In-Service Date, and again prior to the Commercial

Operation Date, Developer and Connecting Transmission Owner shall   
each perform, or their agents shall perform, a complete calibration   
test and functional trip test of the System Protection Facilities. At   
intervals suggested by Good Utility Practice and following any   
apparent malfunction of the System Protection Facilities, Developer

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and Connecting Transmission Owner shall each perform calibration   
and functional trip tests of the System Protection Facilities in a   
manner and at intervals consistent with Connecting Transmission   
Owner’s standard practice for performing such tests. These tests do   
not require the tripping of any in-service generation unit. These tests   
do, however, require that all protective relays and lockout contacts be   
activated.

9.6.5 Requirements for Protection. In compliance with NPCC requirements,

applicable requirements of other Applicable Reliability Councils, and Good

Utility Practice, Developer shall provide, install, own, and maintain relays,

circuit breakers and all other devices necessary to remove any fault contribution   
of the Transmission Project to any short circuit occurring on the New York   
State Transmission System not otherwise isolated by Connecting Transmission   
Owner’s equipment, such that the removal of the fault contribution shall be   
coordinated with the protective requirements of the New York State   
Transmission System. Developer shall be solely responsible to disconnect the   
Transmission Project and Developer’s other equipment if conditions on the New   
York State Transmission System could adversely affect the Transmission   
Project.

9.6.6 Power Quality. Neither the facilities of Developer nor the facilities of

Connecting Transmission Owner shall cause excessive voltage flicker nor

introduce excessive distortion to the sinusoidal voltage or current waves as

defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a   
conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable   
superseding electric industry standard, shall control.

9.7 Switching and Tagging Rules.

Developer and Connecting Transmission Owner shall each provide the other Party with a copy of its switching and tagging rules that are applicable to the other Party’s   
activities. Such switching and tagging rules shall be developed and administered on a non-discriminatory basis. The Parties shall comply with applicable switching and   
tagging rules, as amended from time to time, in obtaining clearances for work or for   
switching operations on equipment.

9.8 Use of Attachment Facilities by Third Parties.

9.8.1 Purpose of Attachment Facilities. Except as may be required by Applicable   
 Laws and Regulations, or as otherwise agreed to by the Parties, the Attachment   
 Facilities shall be constructed for the sole purpose of interconnecting the

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Transmission Project to the New York State Transmission System and shall be used for no other purpose.

9.8.2 Third Party Users. If required by Applicable Laws and Regulations or if the

Parties mutually agree, such agreement not to be unreasonably withheld, to allow   
one or more third parties to use the Connecting Transmission Owner’s   
Attachment Facilities, or any part thereof, Developer shall be entitled to   
compensation for the capital expenses it incurred in connection with the   
Attachment Facilities based upon the pro rata use of the Attachment Facilities by   
Connecting Transmission Owner, all third party users, and Developer, in   
accordance with Applicable Laws and Regulations or upon some other mutually-  
agreed upon methodology. In addition, cost responsibility for ongoing costs,   
including operation and maintenance costs associated with the Attachment   
Facilities, will be allocated between Developer and any third party users based   
upon the pro rata use of the Attachment Facilities by Connecting Transmission   
Owner, all third party users, and Developer, in accordance with Applicable Laws   
and Regulations or upon some other mutually agreed upon methodology. If the   
issue of such compensation or allocation cannot be resolved through such   
negotiations, it shall be submitted to FERC for resolution.

9.9 Disturbance Analysis Data Exchange. The Parties will cooperate with one another

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

ARTICLE 10. MAINTENANCE

10.1 Connecting Transmission Owner Obligations. Connecting Transmission Owner shall

maintain its transmission facilities and Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.2 Developer Obligations. Developer shall maintain its Transmission Project and

Attachment Facilities in a safe and reliable manner and in accordance with this Agreement.

10.3 Coordination. Developer and Connecting Transmission Owner shall confer regularly

to coordinate the planning, scheduling and performance of preventive and corrective

maintenance on the Transmission Project and the Attachment Facilities. The Developer and Connecting Transmission Owner shall keep the NYISO fully informed of the

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

10.4 Secondary Systems. Developer and Connecting Transmission Owner shall each

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

10.5 Operating and Maintenance Expenses. Subject to the provisions herein addressing

the use of facilities by third parties, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission   
service to a third party and such third party pays for such expenses, the Connecting   
Transmission Owner shall be responsible for all reasonable expenses including   
overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Developer Attachment Facilities; and (2) operation, maintenance, repair and replacement of Connecting Transmission Owner’s Attachment Facilities. The Connecting   
Transmission Owner shall also be responsible for all operating and maintenance   
expenses associated with the SUFs that are listed in Appendix A.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Developer Attachment Facilities. Developer shall design, procure, construct, install,

own and/or control the Developer’s Attachment Facilities described in Appendix A,

hereto.

11.2 Connecting Transmission Owner’s Attachment Facilities. Connecting Transmission

Owner shall design, procure, construct, install, own and/or control the Connecting   
Transmission Owner’s Attachment Facilities described in Appendix A hereto, at its sole expense.

11.3 System Upgrade Facilities.

The Connecting Transmission Owner shall design, procure, construct, install, the 345   
kV System Upgrade Facilities described in Appendix A hereto. The Connecting   
Transmission Owner shall own the System Upgrade Facilities that will be located in the

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345kv Ramapo Substation. The Developer will own the remaining in System Upgrade Facilities, as described in Appendix A.

11.4 Reserved.

11.5 Provision of Security. No security is required to be posted because Connecting

Transmission Owner will be responsible for performing all the construction activities and has assumed all such cost responsibility.

11.6 Developer Compensation for Emergency Services. If, during an Emergency State,

Developer provides services at the request or direction of the NYISO or Connecting Transmission Owner, Developer will be compensated for such services in accordance with the Services Tariff.

11.7 Line Outage Costs. Notwithstanding any provision in the Tariff to the contrary,

Connecting Transmission Owner may propose to recover line outage costs associated with the installation of Connecting Transmission Owner’s Attachment Facilities or System Upgrade Facilities on a case-by-case basis.

ARTICLE 12. INVOICE

12.1 General. Developer and Connecting Transmission Owner shall each submit to the other

Party, on a monthly basis, invoices of amounts due for the preceding month. Each

invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. Developer and Connecting Transmission Owner may   
discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts one Party owes to the other Party under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after completion of the construction of the

Connecting Transmission Owner’s Attachment Facilities and the System Upgrade

Facilities, Connecting Transmission Owner shall provide an invoice of the final cost of the construction of the Connecting Transmission Owner’s Attachment Facilities and the System Upgrade Facilities and shall set forth such costs in sufficient detail to enable   
Developer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in

Appendix F hereto. The Party receiving the invoice shall pay the invoice within thirty

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(30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices will not constitute a waiver of any rights or claims the paying Party may have under this Agreement.

12.4 Disputes. In the event of a billing dispute between Connecting Transmission Owner

and Developer, Connecting Transmission Owner shall continue to perform under this   
Agreement as long as the paying Party : (i) continues to make all payments not in   
dispute; and (ii) pays to the other Party or into an independent escrow account the   
portion of the invoice in dispute, pending resolution of such dispute. If the paying Party   
fails to meet these two requirements for continuation of service, then the other Party   
may provide notice to the paying Party of a Default pursuant to Article 17. Within   
thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money   
to the other Party shall pay the amount due with interest calculated in accord with the   
methodology set forth in FERC’s Regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

ARTICLE 13. EMERGENCIES

13.1 Obligations. Each Party shall comply with the Emergency State procedures of the

NYISO, the applicable Reliability Councils, Applicable Laws and Regulations, and any emergency procedures agreed to by the NYISO Operating Committee.

13.2 Notice. The NYISO or, as applicable, Connecting Transmission Owner shall notify

Developer promptly when it becomes aware of an Emergency State that affects the

Connecting Transmission Owner’s Attachment Facilities or the New York State

Transmission System that may reasonably be expected to affect Developer’s operation   
of the Transmission Project or the Developer’s Attachment Facilities. Developer shall   
notify NYISO and Connecting Transmission Owner promptly when it becomes aware of   
an Emergency State that affects the Transmission Project or the Developer Attachment   
Facilities that may reasonably be expected to affect the New York State Transmission   
System or the Connecting Transmission Owner’s Attachment Facilities. To the extent   
information is known, the notification shall describe the Emergency State, the extent of   
the damage or deficiency, the expected effect on the operation of Developer’s or

Connecting Transmission Owner’s facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.3 Immediate Action. Unless, in Developer’s reasonable judgment, immediate action is

required, Developer shall obtain the consent of Connecting Transmission Owner, such consent to not be unreasonably withheld, prior to performing any manual switching operations of the Transmission Project or in response to an Emergency State either declared by the NYISO, Connecting Transmission Owner or otherwise regarding New York State Transmission System.

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13.4 NYISO and Connecting Transmission Owner Authority.

13.4.1 General. The NYISO or Connecting Transmission Owner may take whatever

actions with regard to the New York State Transmission System or the

Connecting Transmission Owner’s Attachment Facilities it deems necessary

during an Emergency State in order to (i) preserve public health and safety, (ii) preserve the reliability of the New York State Transmission System or the Connecting Transmission Owner’s Attachment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

The NYISO and Connecting Transmission Owner shall use Reasonable Efforts   
to minimize the effect of such actions or inactions on the Transmission Project.   
The NYISO or Connecting Transmission Owner may, on the basis of technical   
considerations, require the Transmission Project to mitigate an Emergency State   
by taking actions necessary and limited in scope to remedy the Emergency State,   
including, but not limited to, directing Developer to shut-down, start-up, increase   
or decrease the real or reactive power output of the Transmission Project;

implementing a reduction or disconnection pursuant to Article 13.4.2; directing Developer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Transmission Project and the Developer Attachment Facilities. Developer shall comply with all of the NYISO and Connecting   
Transmission Owner’s operating instructions concerning Transmission Project, in compliance with Applicable Laws and Regulations.

13.4.2 Reduction and Disconnection. The NYISO or Connecting Transmission

Owner may disconnect the Transmission Project, when such reduction or

disconnection is necessary under Good Utility Practice due to an Emergency

State. These rights are separate and distinct from any right of Curtailment of the   
NYISO pursuant to the NYISO OATT. When NYISO or Connecting   
Transmission Owner can schedule the reduction or disconnection in advance,   
NYISO or Connecting Transmission Owner shall notify Developer of the   
reasons, timing and expected duration of the reduction or disconnection. The   
NYISO or Connecting Transmission Owner shall coordinate with Developer   
using Good Utility Practice to schedule the reduction or disconnection during   
periods of least impact to Developer and the New York State Transmission   
System. Any reduction or disconnection shall continue only for so long as   
reasonably necessary under Good Utility Practice. The Parties shall cooperate   
with each other to restore the Transmission Project, the Attachment Facilities,   
and the New York State Transmission System to their normal operating state as   
soon as practicable consistent with Good Utility Practice.

13.5 Developer Authority. Consistent with Good Utility Practice and this Agreement,

Developer may take whatever actions or inactions with regard to the Transmission

Project during an Emergency State in order to (i) preserve public health and safety, (ii)   
preserve the reliability of the Transmission Project, (iii) limit or prevent damage, and

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(iv) expedite restoration of service. Developer shall use Reasonable Efforts to minimize   
the effect of such actions or inactions on the New York State Transmission System and   
the Connecting Transmission Owner’s Attachment Facilities. The NYISO and   
Connecting Transmission Owner shall use Reasonable Efforts to assist Developer in   
such actions.

13.6 Limited Liability. Except as otherwise provided in Article 11.6 of this Agreement, no

Party shall be liable to another Party for any action it takes in responding to an

Emergency State so long as such action is made in good faith and is consistent with Good Utility Practice and the NYISO Tariffs.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements. Each Party’s obligations under this Agreement shall be

subject to its receipt of any required approval or certificate from one or more

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

14.2 Governing Law.

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

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

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

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this Agreement, any notice, demand or request

required or permitted to be given by a Party to the other Party and any instrument

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

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

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in

Appendix F hereto.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given

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

15.4 Operations and Maintenance Notice. Developer and Connecting Transmission Owner

shall each notify the other Party in writing of the identity of the person(s) that it

designates as the point(s) of contact with respect to the implementation of Articles 9 and

10 of this Agreement.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure.

16.1.1 Economic hardship shall not constitute and is not considered a Force Majeure   
event.

16.1.2 A Party shall not be responsible or liable, or deemed, in Default with respect to   
 any obligation hereunder, (other than the obligation to pay money when due, to   
 the extent the Party is prevented from fulfilling such obligation by Force   
 Majeure. A Party unable to fulfill any obligation hereunder (other than an   
 obligation to pay money when due) by reason of Force Majeure shall give notice   
 and the full particulars of such Force Majeure to the other Party in writing or by   
 telephone as soon as reasonably possible after the occurrence of the cause relied   
 upon. Telephone notices given pursuant to this Article shall be confirmed in   
 writing as soon as reasonably possible and shall specifically state full particulars   
 of the Force Majeure, the time and date when the Force Majeure occurred and   
 when the Force Majeure is reasonably expected to cease. The Party affected   
 shall exercise due diligence to remove such disability with reasonable dispatch,

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but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default.

17.1.1 General. No Breach shall exist where such failure to discharge an obligation

(other than the payment of money) is the result of Force Majeure as defined in   
this Agreement or the result of an act or omission of the other Party. Upon a   
Breach, the non-Breaching Parties shall give written notice of such to the   
Breaching Party. The Breaching Party shall have thirty (30) Calendar Days from   
receipt of the Breach notice within which to cure such Breach; provided   
however, if such Breach is not capable of cure within thirty (30) Calendar Days,   
the Breaching Party shall commence such cure within thirty (30) Calendar Days   
after notice and continuously and diligently complete such cure within ninety

(90) Calendar Days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this Article 17, or if

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

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity. Each Party (the “Indemnifying Party”) shall at all times indemnify, defend,

and save harmless, as applicable, the other Party (the “Indemnified Party”) from, any   
and all damages, losses, claims, including claims and actions relating to injury to or   
death of any person or damage to property, the alleged violation of any Environmental   
Law, or the release or threatened release of any Hazardous Substance, demand, suits,   
recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or   
to third parties, arising out of or resulting from (i) the Indemnified Party’s performance   
of its obligations under this Agreement on behalf of the Indemnifying Party, except in   
cases where the Indemnifying Party can demonstrate that the Loss of the Indemnified

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Party was caused by the gross negligence or intentional wrongdoing of the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

18.1.1 Indemnified Party. If a Party is entitled to indemnification under this Article 18

as a result of a claim by a third party, and the indemnifying Party fails, after

notice and reasonable opportunity to proceed under Article 18.1.3, to assume the defense of such claim, such Indemnified Party may at the expense of the   
Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and

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

18.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any

claim or notice of the commencement of any action or administrative or legal   
proceeding or investigation as to which the indemnity provided for in Article

18.1 may apply, the Indemnified Party shall notify the Indemnifying Party of   
such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

The Indemnified Party shall be entitled, at its expense, to participate in any such   
action, suit or proceeding, the defense of which has been assumed by the   
Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i)   
shall not be entitled to assume and control the defense of any such action, suit or   
proceedings if and to the extent that, in the opinion of the Indemnified Party and   
its counsel, such action, suit or proceeding involves the potential imposition of   
criminal liability on the Indemnified Party, or there exists a conflict or adversity   
of interest between the Indemnified Party and the Indemnifying Party, in such   
event the Indemnifying Party shall pay the reasonable expenses of the

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Indemnified Party, and (ii) shall not settle or consent to the entry of any

judgment in any action, suit or proceeding without the consent of the

Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

18.2 No Consequential Damages. Other than the Liquidated Damages heretofore described

and the indemnity obligations set forth in Article 18.1, in no event shall any Party be

liable under any provision of this Agreement for any losses, damages, costs or expenses   
for any special, indirect, incidental, consequential, or punitive damages, including but   
not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost   
of temporary equipment or services, whether based in whole or in part in contract, in   
tort, including negligence, strict liability, or any other theory of liability; provided,   
however, that damages for which a Party may be liable to the other Party under separate   
agreement will not be considered to be special, indirect, incidental, or consequential   
damages hereunder.

18.3 Insurance. The following insurance requirements will apply in the event that the   
 Developer and the Connecting Transmission Owner are not affiliated companies.

Developer and Connecting Transmission Owner shall each, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following insurance coverages:

18.3.1 Employers’ Liability and Workers’ Compensation Insurance providing statutory

benefits in accordance with the laws and regulations of New York State.

18.3.2 Commercial General Liability Insurance including premises and operations,

personal injury, property damage, contractual liability coverage products and   
completed operations coverage, coverage for explosion, collapse and   
underground hazards, independent contractors coverage, coverage for pollution   
to the extent normally available and damages to the extent normally available   
and include cross liability with minimum limits of One Million Dollars   
($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate   
combined single limit for personal injury, bodily injury, including death and   
property damage.

18.3.3 Commercial Automobile Liability Insurance for coverage of owned and non-

owned and hired vehicles, trailers or semi-trailers designed for travel on public   
roads, with a minimum, combined single limit of One Million Dollars   
($1,000,000) per accident for bodily injury, including death, and property   
damage.

18.3.4 Excess Liability Insurance over and above the Employers’ Liability Commercial

General Liability and Comprehensive Automobile Liability Insurance coverage,

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with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance, Comprehensive Automobile

Insurance and Excess Liability Insurance policies of Developer and Connecting   
Transmission Owner shall name the other Party, its parent, associated and   
Affiliate companies and their respective directors, officers, agents, servants and   
employees (“Other Party Group”) as additional insured. All policies shall   
contain provisions whereby the insurers waive all rights of subrogation in   
accordance with the provisions of this Agreement against the Other Party Group.   
Each party will provide thirty (30) calendar days advance written notice to the   
Other Party Group prior to the cancellation or any material change in coverage

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile

Liability Insurance and Excess Liability Insurance policies providing additional   
insured status shall contain provisions that the policies are primary and shall   
apply to such extent without consideration for other policies separately carried.   
These policies shall state that each insured is provided coverage as though a   
separate policy had been issued to each, except the insurer’s liability shall not be   
increased beyond the amount for which the insurer would have been liable had   
only one insured been covered. Developer and Connecting Transmission Owner   
shall each be responsible for its respective deductibles or retentions.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile

Liability Insurance and Excess Liability Insurance policies, if written on a

Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage.

18.3.8 The requirements contained herein as to the types and limits of all insurance to

be maintained by the Developer and Connecting Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by those Parties under this Agreement.

18.3.9 Within ten (10) days following execution of this Agreement, and as soon as

practicable after the end of each fiscal year or at the renewal of the insurance

policy and in any event within ninety (90) days thereafter, Developer and

Connecting Transmission Owner shall provide certification of all insurance

required in this Agreement, executed by an authorized representative of insurers.

18.3.10 Notwithstanding the foregoing, Developer and Connecting Transmission   
 Owner may each self-insure to meet the insurance requirements of Articles

18.3.1 18.3.2, 18.3.3 and 18.3.5 auto liability and workers compensation is in   
statutory compliance with New York State laws In the event that a Party is   
self-insured pursuant to this Article 18.3.10, it shall notify the other Party that

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it meets the statutory requirements to self-insure and that its self-insurance program meets the New York State statutory self-insurance requirements in a manner consistent with that specified in Article 18.3.9.

18.3.11 Developer and Connecting Transmission Owner agree to report to each other in

writing as soon as practical all accidents or occurrences resulting in injuries to   
any person, including death, and any property damage arising out of this   
Agreement.

Contractors’ Insurance. Each party will require their Contractors of every level to: procure and maintain the following insurance at its own expense until completion and acceptance of performance hereunder, and thereafter to the extent stated below, with at least the monetary limits specified. The insurance shall be in policy forms which contain an "occurrence" and not a "claims   
made" determinant of coverage and shall be placed with insurance companies acceptable to the Connecting Transmission Owner.

A. Employment related insurance.

(a) Workers' Compensation Insurance as required by law.

(b) Employer's Liability Insurance, including accidents (with a limit of $1,000,000 per accident) and occupation diseases (with a limit of   
$1,000,000 per employee).

(c) Where applicable, insurance required by the United States

Longshoremen's and harbor Workers' Act, the Federal Employers' Liability Act, and the Jones Act.

B. Commercial General Liability Insurance, including Contractual Liability,   
with limits of not less than $5,000,000 per occurrence for bodily injury or   
death and $1,000,000 per occurrence for property damage or a combined single   
limit of $5,000,000 per occurrence and, for at least one year after completion   
of performance hereunder, Products/Completed Operations Liability Insurance   
with similar but separate and independent limits. Every contractor will be   
responsible for their policies’ deductibles. The insurance shall contain no   
exclusions for explosion, collapse of a building or structure, or underground   
hazards. The insurance policy or policies shall name Connecting Transmission   
Owner and Developer as an additional insured. And their insurance will be   
primary and non-contributory to any other insurance available to the   
Additional Insured. There shall be no exclusion for claims by Contractor   
employees against Connecting Transmission Owner or Developer based on   
injury to Contractor’s employees.

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C. Commercial Automobile Liability Insurance, covering all owned, non-  
owned and hired automobiles used by the contractor or any subcontractors,   
with limits of $1,000,000 each accident for bodily injury or death and property   
damage.

D. Where the Work involves the use of aircraft, Aircraft Liability Insurance, covering all owned, non-owned and hired aircraft, including helicopters, used by Contractor or any Subcontractors, with a combined single limit of not less than $5,000,000 for bodily injury or death and property damage. The   
insurance policy shall name Connecting Transmission Owner and Developer as an additional insured for the full policy limits insured.

Contractor will provide Connecting Transmission Owner with at least ten (10) days' written notice prior to the effective date of any cancellation of the   
insurance or of any changes in policy limits or scope of coverage.

At least three days prior to commencing work at the site, Contractor shall   
furnish Connecting Transmission Owner with Certificate(s) of Insurance   
covering all required insurance and signed by the insurer or its authorized   
representative certifying that the required insurance has been obtained. Such   
certificates shall state that the policies have been issued and are effective, show   
their expiration dates, and state that Connecting Transmission Owner is an   
additional insured with respect to all coverages enumerated in paragraphs B, D   
and E above. Connecting Transmission Owner shall have the right to require   
Contractor to furnish Connecting Transmission Owner, upon request, with a   
copy of the insurance policy or policies required under paragraphs A, C, and D   
hereunder. Contractor agrees that this is an insured contract. The insurance   
required herein is intended to cover Connecting Transmission Owner for its   
own liability for negligence or any other cause of action in any claim or lawsuit   
for bodily injury or property damage arising out of the Work performed   
pursuant to this Agreement.

ARTICLE 19. ASSIGNMENT

19.1 Assignment. This Agreement may be assigned by a Party only with the written consent

of the other Party; provided that a Party may assign this Agreement without the consent   
of the other Parties; to any Affiliate of the assigning Party with an equal or greater credit   
rating and with the legal authority and operational ability to satisfy the obligations of the   
assigning Party under this Agreement; provided further that a Party may assign this   
Agreement without the consent of the other Party in connection with the sale, merger,   
restructuring, or transfer of a substantial portion or all of its assets, including the   
Attachment Facilities it owns, so long as the assignee in such a transaction directly   
assumes in writing all rights, duties and obligations arising under this Agreement; and

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provided further that Developer shall have the right to assign this Agreement, without   
the consent of Connecting Transmission Owner, for collateral security purposes to aid   
in providing financing for the Transmission Project, provided that Developer will   
promptly notify Connecting Transmission Owner of any such assignment. Any   
financing arrangement entered into by Developer pursuant to this Article will provide   
that prior to or upon the exercise of the secured party’s trustee’s or mortgagee’s   
assignment rights pursuant to said arrangement, the secured creditor, the trustee or   
mortgagee will notify Connecting Transmission Owner of the date and particulars of any   
such exercise of assignment right(s) and will provide Connecting Transmission Owner   
with proof that it meets the requirements of Article 18.3. Any attempted assignment that   
violates this Article is void and ineffective. Any assignment under this Agreement shall   
not relieve a Party of its obligations, nor shall a Party’s obligations be enlarged, in whole   
or in part, by reason thereof. Where required, consent to assignment will not be   
unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability. If any provision in this Agreement is finally determined to be invalid,

void or unenforceable by any court or other Governmental Authority having jurisdiction,   
such determination shall not invalidate, void or make unenforceable any other provision,   
agreement or covenant of this Agreement; provided that if Developer (or any third party,   
but only if such third party is not acting at the direction of the Connecting Transmission   
Owner) seeks and obtains such a final determination with respect to any provision of the   
Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of   
these provisions shall thereafter have any force or effect and the rights and obligations of   
Developer and Connecting Transmission Owner shall be governed solely by the

Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability. The Parties will comply with all applicable comparability and code of

conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality. Certain information exchanged by the Parties during the term of this

Agreement shall constitute confidential information (“Confidential Information”) and shall be subject to this Article 22.

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

22.1.1 Term. During the term of this Agreement, and for a period of three (3) years

after the expiration or termination of this Agreement, except as otherwise

provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Confidential Information. The following shall constitute Confidential

Information: (1) any non-public information that is treated as confidential by the   
disclosing Party and which the disclosing Party identifies as Confidential   
Information in writing at the time, or promptly after the time, of disclosure; or

(2) information designated as Confidential Information by the NYISO Code of Conduct contained in Attachment F to the NYISO OATT.

22.1.3 Scope. Confidential Information shall not include information that the receiving

Party can demonstrate: (1) is generally available to the public other than as a

result of a disclosure by the receiving Party; (2) was in the lawful possession of   
the receiving Party on a non-confidential basis before receiving it from the   
disclosing Party; (3) was supplied to the receiving Party without restriction by a   
third party, who, to the knowledge of the receiving Party after due inquiry, was   
under no obligation to the disclosing Party to keep such information confidential;

(4) was independently developed by the receiving Party without reference to   
Confidential Information of the disclosing Party; (5) is, or becomes, publicly   
known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 22.1.8 of this   
Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in   
any legal proceeding establishing rights and obligations under this Agreement.   
Information designated as Confidential Information will no longer be deemed   
confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.4 Release of Confidential Information. No Party shall release or disclose

Confidential Information to any other person, except to its Affiliates (limited   
by FERC Standards of Conduct requirements), subcontractors, employees,   
consultants, or to parties who may be considering providing financing to or   
equity participation with Developer, or to potential purchasers or assignees of a   
Party, on a need-to-know basis in connection with this Agreement, unless such   
person has first been advised of the confidentiality provisions of this Article 22   
and has agreed to comply with such provisions. Notwithstanding the   
foregoing, a Party providing Confidential Information to any person shall

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remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

22.1.5 Rights. Each Party retains all rights, title, and interest in the Confidential

Information that each Party discloses to the other Party. The disclosure by

each Party to the other Parties of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.6 No Warranties. By providing Confidential Information, no Party makes any

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

22.1.7 Standard of Care. Each Party shall use at least the same standard of care to

protect Confidential Information it receives as it uses to protect its own

Confidential Information from unauthorized disclosure, publication or

dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Agreement or its regulatory   
requirements, including the Tariff and NYISO Services Tariff.

22.1.8 Order of Disclosure. If a court or a Government Authority or entity with the

right, power, and apparent authority to do so requests or requires any Party, by   
subpoena, oral deposition, interrogatories, requests for production of   
documents, administrative order, or otherwise, to disclose Confidential   
Information, that Party shall provide the other Party with prompt notice of such   
request(s) or requirement(s) so that the other Party may seek an appropriate   
protective order or waive compliance with the terms of this Agreement.   
Notwithstanding the absence of a protective order or waiver, the Party may   
disclose such Confidential Information which, in the opinion of its counsel, the   
Party is legally compelled to disclose. Each Party will use Reasonable Efforts   
to obtain reliable assurance that confidential treatment will be accorded any   
Confidential Information so furnished.

22.1.9 Termination of Agreement. Upon termination of this Agreement for any

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

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22.1.10 Remedies. The Parties agree that monetary damages would be inadequate to

compensate a Party for another Party’s Breach of its obligations under this

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

22.1.11 Disclosure to FERC, its Staff, or a State. Notwithstanding anything in this

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

22.1.12 Except as otherwise expressly provided herein, no Party shall disclose

Confidential Information to any person not employed or retained by the Party   
possessing the Confidential Information, except to the extent disclosure is (i)   
required by law; (ii) reasonably deemed by the disclosing Party to be required   
to be disclosed in connection with a dispute between or among the Parties, or   
the defense of litigation or dispute; (iii) otherwise permitted by consent of the   
other Party, such consent not to be unreasonably withheld; or (iv) necessary to   
fulfill its obligations under this Agreement, the Tariff or the NYISO Services   
Tariff. Prior to any disclosures of a Party’s Confidential Information under this

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subparagraph, or if any third party or Governmental Authority makes any

request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Developer and Connecting Transmission Owner Notice. Developer and Connecting

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

ARTICLE 24. INFORMATION REQUIREMENT

24.1 Information Acquisition. Connecting Transmission Owner and Developer shall each

submit specific information regarding the electrical characteristics of their respective

facilities to the other, as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Connecting Transmission Owner. The initial

information submission by Connecting Transmission Owner shall occur no later than

one hundred eighty (180) Calendar Days prior to Trial Operation and shall include New   
York State Transmission System information necessary to allow the Developer to select   
equipment and meet any system protection and stability requirements, unless otherwise   
mutually agreed to by the Developer and Connecting Transmission Owner. On a   
monthly basis Connecting Transmission Owner shall provide Developer and if   
requested, to the NYISO. a status report on the construction and installation of   
Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities,   
including, but not limited to, the following information: (1) progress to date; (2) a   
description of the activities since the last report; (3) a description of the action items for   
the next period; and (4) the delivery status of equipment ordered.

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24.3 Updated Information Submission by Developer. The updated information submission

by the Developer, including manufacturer information, shall occur no later than one   
hundred eighty (180) Calendar Days prior to the Trial Operation. Information in this   
submission shall be the most current Transmission Project design or expected   
performance data. Information submitted for stability models shall be compatible with   
NYISO standard models. If there is no compatible model, the Developer will work with   
a consultant mutually agreed to by the Parties to develop and supply a standard model   
and associated information.

If Developer’s data is different from what was originally provided to Connecting

Transmission Owner and this difference may be reasonably expected to affect the other   
Party’s facilities or the New York State Transmission System, then Connecting   
Transmission Owner and Developer will conduct appropriate studies to determine the   
impact on the New York State Transmission System based on the actual data submitted   
pursuant to this Article 24.3. Such studies will provide an estimate of any additional   
modifications to the New York State Transmission System, Connecting Transmission   
Owner’s Attachment Facilities, or System Upgrade Facilities based on the actual data   
and a good faith estimate of the costs thereof. Developer shall not begin Trial Operation   
until such studies are completed. Developer shall be responsible for the cost of any   
modifications required by the actual data, including the cost of any required studies.

24.4 Information Supplementation. Prior to the Commercial Operation Date, Developer

and Connecting Transmission Owner shall supplement their information submissions   
described above in this Article 24 with any and all “as-built” Transmission Project   
information or “as-tested” performance information that differs from the initial   
submissions or, alternatively, written confirmation that no such differences exist.   
Developer shall conduct tests on the Transmission Projectas required by Good Utility   
Practice.

Developer shall provide the Connecting Transmission Owner validated test recordings showing the responses of the Transmission Project.

Subsequent to the Commercial Operation Date, Developer shall provide Connecting Transmission Owner with any information changes due to equipment replacement,   
repair, or adjustment. Connecting Transmission Owner shall provide Developer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Connecting Transmission Owner substation that may affect the Transmission Project or Developer Attachment Facilities equipment   
ratings, protection or operating requirements. Developer and Connecting Transmission Owner shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

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ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access. Each Party (“Disclosing Party”) shall make available to another

Party (“Requesting Party”) information that is in the possession of the Disclosing Party and is necessary in order for the Requesting Party to: (i) verify the costs incurred by the Disclosing Party for which the Requesting Party is responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 of this Agreement and to enforce their rights under this Agreement.

25.2 Reporting of Non-Force Majeure Events. Each Party (the “Notifying Party”) shall

notify the other Parties when the Notifying Party becomes aware of its inability to

comply with the provisions of this Agreement for a reason other than a Force Majeure

event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such   
inability to comply. Notwithstanding the foregoing, notification, cooperation or   
information provided under this Article shall not entitle the Party receiving such   
notification to allege a cause for anticipatory breach of this Agreement.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this

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

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.   
 Accounts and records related to the design, engineering, procurement, and   
 construction of Connecting Transmission Owner’s Attachment Facilities and   
 System Upgrade Facilities shall be subject to audit for a period of twenty-four   
 months following Connecting Transmission Owner’s issuance of a final invoice   
 in accordance with Article 12.2 of this Agreement.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and   
 records related to a Party’s performance or satisfaction of its obligations under   
 this Agreement other than those described in Article 25.4.1 of this Agreement   
 shall be subject to audit as follows: (i) for an audit relating to cost obligations,

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the applicable audit rights period shall be twenty-four months after the auditing Party’s receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an

underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General. Nothing in this Agreement shall prevent a Party from utilizing the services of

any subcontractor as it deems appropriate to perform its obligations under this

Agreement; provided, however, that each Party shall require its subcontractors to

comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Parties for the   
performance of such subcontractor.

26.2 Responsibility of Principal. The establishment of any subcontract relationship shall

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

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited

in any way by any limitation of subcontractor’s insurance.

ARTICLE 27. DISPUTES

27.1 Submission. In the event any Party has a dispute, or asserts a claim, that arises out of or

in connection with this Agreement or its performance (“Dispute”), such Party shall

provide the other Party with written notice of the Dispute (“Notice of Dispute”). Such   
Dispute shall be referred to a designated senior representative of each Party for   
resolution on an informal basis as promptly as practicable after receipt of the Notice of   
Dispute by the other Party. In the event the designated representatives are unable to

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resolve the Dispute through unassisted or assisted negotiations within thirty (30)

Calendar Days of the other Party’ receipt of the Notice of Dispute, such Dispute may,   
upon mutual agreement of the Parties, be submitted to arbitration and resolved in   
accordance with the arbitration procedures set forth below. In the event the Parties do   
not agree to submit such Dispute to arbitration, each Party may exercise whatever rights   
and remedies it may have in equity or at law consistent with the terms of this   
Agreement.

27.2 External Arbitration Procedures. Any arbitration initiated under this Agreement shall

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

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator(s) shall

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

27.4 Costs. Each Party shall be responsible for its own costs incurred during the arbitration

process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel; or (2) one-half the cost of the single arbitrator jointly chosen by the Parties.

27.5 Termination. Notwithstanding the provisions of this Article 27, any Party may

terminate this Agreement in accordance with its provisions or pursuant to an action at

law or equity. The issue of whether such a termination is proper shall not be considered a Dispute hereunder.

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ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good

standing under the laws of the state in which it is organized, formed, or

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

28.1.2 Authority. Such Party has the right, power and authority to enter into this

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

28.1.3 No Conflict. The execution, delivery and performance of this Agreement does

not violate or conflict with the organizational or formation documents, or

bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance

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

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ARTICLE 29. MISCELLANEOUS

29.1 Binding Effect. This Agreement and the rights and obligations hereof, shall be binding

upon and shall inure to the benefit of the successors and permitted assigns of the Parties

hereto.

29.2 Conflicts. The Parties expressly agree that the terms and conditions of the Appendices

shall take precedence over the provisions of this cover agreement in case of a   
discrepancy or conflict between or among the terms and conditions of same.

29.3 Rules of Interpretation. This Agreement, unless a clear contrary intention appears,

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

29.4 Compliance. Each Party shall perform its obligations under this Agreement in

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

29.5 Joint and Several Obligations. Except as otherwise stated herein, the obligations of

Developer and Connecting Transmission Owner are several, and are neither joint nor joint and several.

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29.6 Entire Agreement. This Agreement, including all Appendices and Schedules attached

hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or   
agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this Agreement.

29.7 No Third Party Beneficiaries. This Agreement is not intended to and does not create

rights, remedies, or benefits of any character whatsoever in favor of any persons,

corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and permitted their assigns.

29.8 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict

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

29.9 Headings. The descriptive headings of the various Articles of this Agreement have

been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

29.10 Multiple Counterparts. This Agreement may be executed in two or more counterparts,

each of which is deemed an original but all constitute one and the same instrument.

29.11 Amendment. The Parties may by mutual agreement amend this Agreement, by a

written instrument duly executed by all the Parties.

29.12 Modification by the Parties. The Parties may by mutual agreement amend the

Appendices to this Agreement, by a written instrument duly executed by all of the

Parties. Such an amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

29.13 Reservation of Rights. Connecting Transmission Owner shall have the right to make

unilateral filings with FERC to modify this Agreement with respect to any rates, terms   
and conditions, charges, classifications of service, rule or regulation under Section 205   
or any other applicable provision of the Federal Power Act and FERC’s rules and   
regulations thereunder, and Developer shall have the right to make a unilateral filing   
with FERC to modify this Agreement pursuant to Section 206 or any other applicable   
provision of the Federal Power Act and FERC’s rules and regulations thereunder;

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provided that each Party shall have the right to protest any such filing by the other Party   
and to participate fully in any proceeding before FERC in which such modifications may   
be considered. Nothing in this Agreement shall limit the rights of the Parties or of   
FERC under Sections 205 or 206 of the Federal Power Act and FERC’s rules and   
regulations thereunder, except to the extent that the Parties otherwise mutually agree as   
provided herein.

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

29.15 Other Transmission Rights. Notwithstanding any other provision of this Agreement,   
 nothing herein shall be construed as relinquishing or foreclosing any rights, including   
 but not limited to firm transmission rights, capacity rights, or transmission congestion   
 rights that Developer shall be entitled to, now or in the future under any other agreement   
 or tariff as a result of, or otherwise associated with, the transmission capacity, if any,   
 resulting from the System Upgrade Facilities.

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

ORANGE AND ROCKLAND UTILITIES, INC.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Francis W. Peverly

Vice President, Operations

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Brian Horton

Vice President, System and Transmission Operations Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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APPENDICES

Appendix A

Attachment Facilities and System Upgrade Facilities

Appendix B

Milestones

Appendix C

Interconnection Details

Appendix D

Security Arrangements

Appendix E

Commercial Operation Date

Appendix F

Addresses for Delivery of Notices and Billings

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APPENDIX A

ATTACHMENT FACILITIES AND SYSTEM UPGRADE FACILITIES

1. Reliability Project Overview

The Reliability Project consists of a 345kV transmission line from the 345 kV Ramapo   
Facility and ultimately terminating at the Rock Tavern substation, owned by Central   
Hudson Gas & Electric Corp. The interconnection details at Rock Tavern and Sugarloaf   
are part of separate Interconnection Agreements. The portion of the Reliability Project   
which is addressed by this Agreement is the Developer’s Transmission Project which   
shall be relocated from its present interconnection point at the 138kV Ramapo Facility   
and moved to the 345 kV Ramapo Facility. In addition, and as detailed below, System   
Upgrade Facilities at the Sugarloaf Substation will be needed to be constructed in order to   
permit the Developer to step down the voltage from 345kV to 138kV.

2. Transmission Project Overview

The Transmission Project consists of a modification to a transmission line circuit which   
currently exists between the Developer’s 138kV Ramapo Facility and the Developer’s   
138kV Sugarloaf substation, currently known as feeder 28. This will require the   
reconnection of the existing transmission line (feeder 28) to the 345kV Ramapo Facility   
and the installation of a new 400 MVA 345/138kV step-down transformer between the   
Developer’s Sugarloaf 345 kV and 138 kV substations. The step-down transformer   
connection will utilize the bus position at the 138kV Sugarloaf substation vacated by the   
disconnected Feeder 28. Once Feeder 28 begins operation at 345 kV, it will be known as   
“Feeder 76” and will be comparable in design and function to the currently existing   
Feeder 77. The Developer’s Transmission Line will be reconnected from their 138kV   
Ramapo Substation to the 345 kV Ramapo Facility. The 345kV Ramapo Facility will   
consist of a new 345kV bay containing two new 345kV breakers and ancillary   
equipment.

The Point of Interconnection for the Transmission Project will be at the Connecting Transmission Owner’s 345 kV Ramapo substation as shown in Figure A-1.

3. Attachment Facilities:

(a) Developer’s Attachment Facilities (“DAF”):

There are no Developer’s Attachment Facilities.

(b) Connecting Transmission Owner’s Attachment Facilities (“CTOAF”):

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The Connecting Transmission Owner’s Attachment Facilities consist of the

345kV disconnect switch, bus bar and associated grounding switch at the 345kV Ramapo Facility, as shown in Figure A-1.

4. (a) System Upgrade Facilities - 345kV Ramapo Substation:

The System Upgrade Facilities are the new bay expansion including the items listed below to be installed at the 345kV Ramapo Facility as shown in Figure A-1.

 Four, 345 kV, Disconnect Switches with Associated Ground Switches rated at   
 3000 A nominal,

 Two, 345 kV, Dead Tank Type SF6 Circuit Breakers rated at 3000 A nominal and

63 kA symmetrical fault current,

 Control/Relay House extension or modification, as required,

 345 kV H-frames with Lightning Arrestors, as required,

 345 kV Take-off Structures, as required,

 345 kV Air Insulated Rigid Aluminum Bus, and

 Associated components and relay protection.

The Connecting Transmission Owner will own all the Physical System Upgrade Facilities at the 345kV Ramapo Substation

(b) Other System Upgrade Facilities - 345kV Sugarloaf Substation\*:

 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, and

 138 kV Air Insulated Rigid Aluminum Bus as required.

\* Developer will own all the Physical System Upgrade Facilities at the 345kV Sugarloaf Substation.

5. System Deliverability Upgrades:

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There are no System Deliverability Upgrades that are covered by this Agreement.

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Figure A-1 - Single Line Diagram has been deleted from the public version

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APPENDIX B

MILESTONES

1.

Selected Option Pursuant to Article 5.1

Under section 5.1 of this Agreement, Developer and Connecting Transmission Owner have agreed that pursuant to Subsection 5.1.1 (Standard Option), the Connecting Transmission Owner shall be responsible for designing, procuring and constructing the Attachment

Facilities and the System Upgrade Facilities identified in Section 4(a) and Section 4(b) of   
Appendix A of this Agreement. Developer shall transfer to Connecting Transmission Owner,   
and Connecting Transmission Owner shall own the System Upgrades Facilities that will be   
located at the 345kV Ramapo Facility identified in Section 4(a) of Appendix A to this   
Agreement. Developer will physically own all System Upgrade Facilities and Attachment   
Facilities that will be located at the Sugarloaf Substation. Developer shall cooperate with   
Connecting Transmission Owner to insure that these transfers are done in a timely manner.   
Consistent with section 10.5 the Connecting Transmission Owner shall be responsible for the   
O&M expenses associated with the System Upgrade facilities listed in Appendix A, sections   
4(a) and 4(b).

The following milestones shall apply to the engineering, procurement, construction, and testing for the interconnection of the Transmission Project:

Item Milestone Responsible Due Date

Party Notice to Proceed from Developer to

(a)

(b)

(c)

(d)

(e)

(f)

(g)

commence Engineering and Procurement   
Completion of engineering packages for the

CTOAF and SUFs

Commence construction of the CTOAF and   
 SUFs

Con Edison Preliminary Outage Schedule1Complete Development of Pre-Energization

Checklist Form including the Testing   
 Operations Protocol

Complete construction of the CTOAF and   
 SUFs

In-Service Date2

Developer   
 CTO

CTO   
CTO

Developer and   
 CTO

Developer and   
 CTO

Developer

Completed

September 2015   
 Completed

Completed   
March 2016

June 2016   
June 2016

1 CTO shall procure and coordinate with Developer delivery of equipment that is required to complete the work necessary for each outage.

2 Developer shall request and obtain written approval from NYISO and CTO prior to energizing the Transmission Project. If the facility is ready for energization, CTO shall grant such approval within ten (10) days of receiving the request.

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(h)   
(i)   
(j)

Complete testing of Transmission Project,   
 CTOAF and SUFs

Commercial Operation Date

Submit “as-built” drawings, information and vendor test documents for Transmission   
 Project, CTOAF and SUFs to CTO

Developer and   
 June 2016

CTO

Developer June 2016

120 days after

Developer Commercial

Operation

The actual dates for completion of the milestones are highly dependent upon lead times for the   
procurement of equipment and material, the availability of labor, outage scheduling, receipt of   
regulatory approvals, and the results of equipment testing. The completion and results of   
environmental remediation of the site, and other unforeseen events could also affect the   
achievement of the milestones. Connecting Transmission Owner and Developer are mutually   
undertaking the required engineering, procurement, or construction work to implement this   
reliability solution pursuant to this Agreement and as defined in Section 2 of this Agreement.   
The Connecting Transmission Owner accepts cost responsibility for all engineering,   
procurement, construction, and future Operations and Maintenance costs associated with the   
SUF’s and CTOAF’s at the 345kV Ramapo Facility associated with the Transmission Project.

Prior to the In-Service Date, Developer and Connecting Transmission Owner shall comply with NYISO procedures and request energization of the Transmission Project. If the Transmission   
Project is determined to be ready for energization by Connecting Transmission Owner, the   
Connecting Transmission Owner shall grant such approval within ten (10) days of receiving the request by Developer.

The following notes apply to all work performed on Connecting Transmission Owner’s System Upgrade Facilities.

A. If permits are required for the work, the Connecting Transmission Owner will obtain the   
 permits.

B. Transmission system emergencies take precedence over all other work and could   
 significantly impact the schedule depending upon the duration of the emergency.

C. Connecting Transmission Owner schedules its resources months in advance, and its   
 ability to reschedule manpower is limited by resource allocation to other Connecting   
 Transmission Owner projects and tasks. Missing a schedule task or milestone date may   
 result in some delay before Connecting Transmission Owner can reschedule its   
 manpower to work on the assigned task.

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APPENDIX C

INTERCONNECTION DETAILS

1. Description of Facilities

The Transmission Project will require the conversion of the existing 138 kV

Transmission Line currently known as Line 28 which runs between the 138 kV Ramapo Facility and Developer’s 138 kV Sugarloaf substation. The conversion will include the installation of a 345 kV to 138 kV step-down transformer near the Sugarloaf substation, the renaming of the Transmission Line from Line 28 to Feeder 76, and the reconnection of 345 kV Feeder 76 to a new Bay 1 at the 345 kV Ramapo Facility. This will be   
considered the first upgrade to effectuate the Transmission Project.

The second upgrade will require the installation of new 345 kV Sugarloaf substation in   
the vicinity of the existing 138 kV Sugarloaf substation. The new 345 kV Sugarloaf   
substation will be owned by Developer and 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 of 345 kV Feeder 76. The 138 kV   
side of the new 345/138 kV step-down transformer will be connected to the existing Line

28 position in 138 kV Sugarloaf substation. Both the 138kV Sugarloaf Facility and the 345kV Sugarloaf Facility are physically owned by the Developer.

At Sugarloaf 345 kV Facility, the Developer will install and wire equipment for controls, indications and protective relay schemes as required in accordance with the engineering package issued for the Transmissionis Project. The Connecting Transmission Owner shall be responsible for such costs.

At Ramapo 138 kV Facility, the Developer will remove and replace relays as required in   
accordance with the engineering package issued for this project. the Developer will also   
install and wire equipment for control, indications and protective relay schemes as   
required in accordance with the engineering package issued for the Transmissionis   
Project. The Connecting Transmission Owner shall be responsible for such costs.

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2. Developer Operating Requirements

(a) Developer shall comply with all provisions of NYISO tariffs and procedures, as

amended from time to time, which apply to any aspect of the Transmission Project’s operations. Tariff revisions and/or operating protocols with NYISO, the Connecting Transmission Owner, and Developer may need to be developed to coordinate the operational control of the facility.

(b) Each Party shall comply with the other Party’s operating instructions and

requirements, which requirements shall include the dedicated data circuits to be

maintained by Developer in accordance with Article 8.1 of this Agreement. Operating instructions will be communicated by telephone, or such other means of communication as the Parties may agree upon.

3. System Protection and Other Control Requirements

The Connecting Transmission Owner shall provide, install and test relay protection

systems associated with the control and protection of the transmission expansion to

interface with those systems installed by Connecting Transmission Owner at the 345 kV Ramapo Facility.

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APPENDIX D

SECURITY ARRANGEMENTS

Infrastructure security of New York State Transmission System equipment and

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

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APPENDIX E

COMMERCIAL OPERATION DATE

Consolidated Edison Company of New York, Inc.

4 Irving Place

New York, NY 10003

Attn: Vice President, System and Transmission Operations

Re: 345kV Ramapo Interconnection

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

On [Date] Orange and Rockland Utilities, Inc. has completed Trial Operation. This letter confirms that O&R commenced Commercial Operation of the Transmission Facility, effective as of [Date plus one day].

Thank you.

[Signature]

Orange and Rockland Utilities, Inc.

390 West Route 59

Spring Valley, NY 10977

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APPENDIX F

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

1. Notices:

(a) Connecting Transmission Owner:

Consolidated Edison Company of New York, Inc.

4 Irving Place

New York, NY 10003   
Attn: Vice President

System and Transmission Operations Phone: (212) 460-1210

Fax: (212) 353-8831

Consolidated Edison Company of New York, Inc.

4 Irving Place

New York, NY 10003   
Attn: General Counsel   
Phone: (212) 460-2432

Fax: (212) 674-7329

(b) Developer:

Orange and Rockland Utilities, Inc.

390 West Route 59

Spring Valley, NY 10977

Attn: Vice President, Operations Phone: (845) 577-3697

Fax: (718) 923-7011

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2. Billings and Payments:

(a) Connecting Transmission Owner:

Consolidated Edison Company of New York, Inc.

4 Irving Place

New York, NY 10003   
Attn: Vice President,

System and Transmission Operations Phone: (212) 460-1210

Fax: (212) 353-8831

(b) Developer:

Orange and Rockland Utilities, Inc.

390 West Route 59

Spring Valley, NY 10977

Attn: Vice President, Operations Phone: (845) 577-3697

Fax: (718) 923-7011

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