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SERVICE AGREEMENT NO. 2217

PUBLIC

SERVICE AGREEMENTNO. 2217

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 Orange and Rockland Utilities, Inc.
a corporation organized and existing under the laws of the State of New York (“Connecting
Transmission Owner”) and Consolidated Edison Company of New York, 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 a transmission line running from the Ramapo Substation to the Sugarloaf Substation;

WHEREAS the transmission line continuing on from the Sugarloaf Substation to the flex connection that is located between tower and the rigid bus within the 345kV Sugarloaf Substation, which is referred to as the “Facility”;

WHEREAS, in response to the potential retirement of the Indian Point Nuclear facility,
the Developer proposed, and the New York State Public Service Commission accepted as a
partial solution to the calculated reliability need, a project that includes the Reliability Project;

WHEREAS, the Reliability Project includes in part the construction of a 345 kV

transmission line originating at the Facility and terminating at the Rock Tavern Substation (the “Transmission Project”);

WHEREAS, Developer and the Connecting Transmission Owner have agreed to enter
into this Agreement for the purpose of interconnecting the Transmission Project to the Facility;

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 OATT, 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 OATT.

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

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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.

Central Hudson shall mean Central Hudson Gas & Electric Corporation.

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.

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

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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 FERC.

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.

Facility shall mean all facilities and equipment owned by the Connecting Transmission Owner that is located between tower and the rigid bus within the 345kV Sugarloaf Substation, as identified in Appendix A of this Agreement.

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Federal Power Act 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
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.

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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.

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.

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

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.

Point of Change of Ownership (PCO) shall mean the point, as set forth in Appendix A to this Agreement, where the Developer’s Transmission Project connects to the Connecting Transmission Owner’s System Upgrade 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 New York State Transmission
System.

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

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

Transmission Line which shall enable the interconnection of the 345kV Ramapo Substation to the Rock Tavern Substation, which is owned and operated by Central Hudson, as described in this Agreement and the Appendices hereto.

Rock Tavern Substation shall mean the 345kV electric substation owned by Central Hudson.

Services Tariff shall mean the NYISO Market Administration and Control Area Tariff,
as filed with FERC, 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 and
identify them in Appendix A to this Agreement.

System Protection Facilities shall mean the equipment, including necessary protection
signal communications equipment, required to (1) protect the New York State Transmission
System from faults or other electrical disturbances occurring at the Transmission Project and

(2) protect the Transmission Project from faults or other electrical system disturbances

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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.

Transmission District: The geographic area served by the Investor-Owned Transmission Owners.

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

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, 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 25 years from the Effective Date and shall be

automatically renewed for each successive one-year period thereafter, unless terminated in accordance with Article 2.3.

2.3 Termination.

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

giving the Connecting Transmission Owner 90 Calendar Days advance 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

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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, all Parties 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 sole 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.

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.

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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.

2.6 Reserved.

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

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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 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 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. 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, with the revised completion dates, 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 30 Calendar Days, and shall assume responsibility for
the design, procurement and construction of the System Upgrade Facilities by the designated dates.

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 30 Calendar Days, and unless the Developer and

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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.

(11) Developer shall deliver to Connecting Transmission Owner “as built” drawings,

information, and any other documents that are reasonably required by Connecting

Transmission Owner to assure that the System Upgrade Facilities are built to the

standards and specifications required by Connecting Transmission Owner.

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:

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5.6.1 Approvals of all appropriate Governmental Authorities have been obtained for any facilities requiring regulatory approvals;

5.6.2 All 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; and

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.

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

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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, under procedures applicable to Article 18.1 Indemnity.

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 Suspension. Developer reserves the right, upon written notice to Connecting

Transmission Owner, to suspend at any time all work by Connecting Transmission
Owner associated with the construction and installation of Connecting Transmission
Owner’s Attachment Facilities and/or System Upgrade Facilities required for only that
Developer under this Agreement with the condition that the New York State
Transmission System shall be left in a safe and reliable condition in accordance with
Good Utility Practice and the safety and reliability criteria of Connecting Transmission
Owner and NYISO. In such event, Developer shall be responsible for all reasonable and
necessary costs and/or obligations including those which Connecting Transmission
Owner (i) has incurred pursuant to this Agreement prior to the suspension and (ii) incurs
in suspending such work, including any costs incurred to perform such work as may be
necessary to ensure the safety of persons and property and the integrity of the New York
State Transmission System during such suspension and, if applicable, any costs incurred
in connection with the cancellation or suspension of material, equipment and labor
contracts which Connecting Transmission Owner cannot reasonably avoid; provided,
however, that prior to canceling or suspending any such material, equipment or labor
contract, Connecting Transmission Owner shall obtain Developer’s authorization to do
so.

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Connecting Transmission Owner shall invoice Developer for such costs pursuant to
Article 12 and shall use due diligence to minimize its costs. In the event Developer
suspends work by Connecting Transmission Owner required under this Agreement
pursuant to this Article 5.16, and has not requested Connecting Transmission Owner to
recommence the work required under this Agreement on or before the expiration of three
years following commencement of such suspension, this Agreement shall be deemed
terminated. The three-year period shall begin on the date the suspension is requested, or
the date of the written notice to Connecting Transmission Owner if no effective date is
specified.

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,
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 five 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

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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
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

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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.

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 ten years from the date on which the

relevant Connecting Transmission Owner’s Attachment Facilities are placed in

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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 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.
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

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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
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

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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 , 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 and the Developer 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 Transmission Owner and
 the Developer 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

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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 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 OATT, except in accordance with the cost allocation procedures in

Attachment S of the OATT. Developer shall be responsible for the costs of any additions, modifications, or replacements to the Developer’s Attachment
Facilities that may be necessary to maintain or upgrade such Developer’s
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

Connecting Transmission Owner’s Attachment Facilities and System Upgrade Facilities
and Developer shall test the Transmission Project and the Developer’s Attachment
Facilities to verify 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. Developer shall bear the cost of all such testing and modifications.

6.2 Post-Commercial Operation Date Testing and Modifications. Developer and

Connecting Transmission Owner shall each at its own expense perform routine

inspection and testing of its facilities and equipment in accordance with Good Utility
Practice and Applicable Reliability Standards as may be necessary for the continued
interconnection of the Transmission Project with the New York State Transmission

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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 requesting Party’s expense, as may be in accordance with Good Utility Practice.

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

each other in advance of its performance of tests of its Attachment Facilities and

Transmission Project. Developer and Connecting Transmission Owner 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 OATT.

ARTICLE 7. METERING

7.1 This Agreement does not require any additional metering equipment to be installed.1

ARTICLE 8. COMMUNICATIONS

8.1 Reserved.

8.2 Reserved.

1 The metering equipment relevant to this transmission line is contained in the Con Edison/ Orange and Rockland Ramapo Interconnection Agreement.

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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 Party 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.

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

the Transmission Project in a safe and reliable manner and in accordance with this Agreement. Developer shall operate the Transmission Project 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’s, and Connecting Transmission Owner’s
procedures and requirements.

9.5 Reserved.

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

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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 the 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

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;

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9.6.2.3 When the interruption or reduction must be made under

circumstances which do not allow for advance notice, 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, 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
Utility Practice. The term “ride through” as used herein shall mean the ability of
a ttransmission ffacility to stay connected to and synchronized with the New
York State Transmission System during system disturbances within a range of
under-frequency and over-frequency conditions, in accordance with Good Utility
Practice and with NPCC Criteria 3.

9.6.4 System Protection and Other Control Requirements.

9.6.4.1 Reserved.

9.6.4.2 Reserved.

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9.6.4.3 Developer and Connecting Transmission Owner shall each be

responsible for protection of its respective facilities consistent with Good Utility Practice and Applicable Reliability Standards.2

9.6.4.4 The protective relay designs of 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 Transmission Project or the Connecting Transmission
Owner’s facilities.

9.6.4.5 Reserved.

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
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

2 The protection equipment relevant to this transmission line is contained in the Con Edison/ Orange and Rockland Ramapo Interconnection Agreement.

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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 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 Reserved.

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

10.2 Developer Obligations. Developer shall maintain its Transmission Project 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. Developer and Connecting Transmission
Owner shall keep the NYISO fully informed of the preventive and corrective

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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 the 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, Developer shall be responsible for all operating and maintenance expenses associated with the SUFs that
are listed in Appendix A.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Reserved.

11.2 Reserved.

11.3 System Upgrade Facilities. Developer shall design, procure, construct, install, and where applicable, remove the System Upgrade Facilities described in Appendix A hereto. Developer shall be responsible for costs related to System Upgrade Facilities, except as
provided for in Article 5.2 (11). The Connecting Transmission Owner shall own the System Upgrade Facilities, described in Appendix A.

11.4 Reserved.

11.5 Provision of Security. No security is required to be posted because Developer will be responsible for performing all the construction activities related to the Project and has assumed all such cost responsibility.

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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 OATT to the contrary, the

Connecting Transmission Owner may propose to recover line outage costs associated with the installation of 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 System

Upgrade Facilities, Connecting Transmission Owner shall provide an invoice of the final cost of the construction of 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. Connecting Transmission Owner shall refund to Developer any amount by which the actual payment by Developer for
estimated costs exceeds the actual costs of construction within 30 Calendar Days of the issuance of such final construction invoice.

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 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 Developer: (i) continues to make all payments not in dispute; and
(ii) pays to Connecting Transmission Owner or into an independent escrow account the
portion of the invoice in dispute, pending resolution of such dispute. If Developer fails
to meet these two requirements for continuation of service, then Connecting

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Transmission Owner may provide notice to Developer of a Default pursuant to Article

17. Within 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 or
the New York State Transmission System that may reasonably be expected to affect
Developer’s operation of the Transmission Project Developer shall notify the NYISO
and Connecting Transmission Owner promptly when it becomes aware of an Emergency
State that affects the Transmission Project that may reasonably be expected to affect the
New York State Transmission System. 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 at the Transmission Project or the Developer’s Attachment Facilities in
response to an Emergency State either declared by the NYISO, Connecting
Transmission Owner or otherwise regarding New York State Transmission System.

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 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, (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 System.
The NYISO or Connecting Transmission Owner may, on the basis of technical

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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 Developer’s Attachment
Facilities. Developer shall comply with all of the NYISO’s and Connecting
Transmission Owner’s operating instructions concerning Transmission Project
real power and reactive power output within the manufacturer’s design
limitations of the Transmission Project’s equipment that is in service and
physically available for operation at the time, 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 OATT. When the NYISO or Connecting Transmission
Owner can schedule the reduction or disconnection in advance, the 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 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 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 (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. 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.

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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 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

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 Business Days written notice prior to the effective date of the change.

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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,
 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.

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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 Party shall give written notice of such to the
 Breaching Party. The Breaching Party shall have 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 30 Calendar Days, the Breaching Party
 shall commence such cure within 30 Calendar Days after notice and
 continuously and diligently complete such cure within 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
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.

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

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

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

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

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

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

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

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

Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and
reasonably satisfactory to the Indemnified Party. If the defendants in any such
action include 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 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
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.

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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 Developer

and the Connecting Transmission Owner are no longer owned by the same parent

company.

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 $1,000,000 per
occurrence/$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 $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, with a minimum combined single limit of $20,000,000 per

occurrence/$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

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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 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

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 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 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 minimum 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 selfinsured pursuant to this Article 18.3.10, it shall notify the other Party that 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

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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 Developer.

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.

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.

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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 both Connecting Transmission Owner and
Developer as an additional insured for the full policy limits insured.

Contractor will provide Developer with at least ten 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 Developer 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 Developer is an additional insured with respect to all coverages
enumerated in paragraphs B, D and E above. Developer shall have the right to
require Contractor to furnish Developer, 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 Developer 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 Party to a company, where both Developer and Connecting Transmission
Owner are indirect equity owners of the company; to any Affiliate of the assigning Party
with an equal or greater credit rating and with the legal authority and operational ability
to satisfy the obligations of the assigning Party under this Agreement; provided further
that a Party may assign this Agreement without the consent of the other Parties in

connection with the sale, merger, restructuring, or transfer of a substantial portion or all
of its assets, 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 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

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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 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.

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

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

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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 one Party to the other Party 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 Party 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 OATT and 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 Parties 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 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
Parties) 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.

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

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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 OATT, the Party shall provide the
requested information to FERC or its staff, within the time provided for in the
request for information. In providing the information to FERC or its staff, the
Party must, consistent with 18 C.F.R. Section 388.112, request that the
information be treated as confidential and non-public by FERC and its staff and
that the information be withheld from public disclosure. A Party is prohibited
from notifying the other Party to this Agreement prior to the release of the
Confidential Information to FERC or its staff. The Party shall notify the other
Party 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 other
Party 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 OATT or the Services Tariff.
Prior to any disclosures of a Party’s Confidential Information under this

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

request or demand for any of the information described in this subparagraph,
the disclosing Party agrees to promptly notify the other Party in writing and
agrees to assert confidentiality and cooperate with the other Party in seeking to

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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
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 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.

24.3 Updated Information Submission by Developer. The updated information submission

by Developer, including manufacturer information, shall occur no later than 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

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there is no compatible model, 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 Connecting Transmission Owner’s facilities or the New York State Transmission
System, then Connecting Transmission Owner and the 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, 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 Project as 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 with
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 equipment ratings, protection or operating
requirements. Developer and Connecting Transmission Owner shall provide such
information no later than 30 Calendar Days after the date of the equipment replacement,
repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

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

Party (“Requesting Party”) information that is in the possession of the Disclosing Party
and is necessary in order for the Requesting Party to: (i) verify the costs incurred by the
Disclosing Party for which the Requesting Party is responsible under this Agreement;

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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 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,
 the applicable audit rights period shall be 24 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 24
 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

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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 Parties for the acts or omissions of any
subcontractor the hiring Party hires as if no subcontract had been made; provided,
however, that in no event shall 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
resolve the Dispute through unassisted or assisted negotiations within 30 Calendar Days
of the other Party’s 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.

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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 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 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.

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.

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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
OATT and Good Utility Practice. To the extent a Party is required or prevented or
limited in taking any action by such regulations and standards, such Party shall not be
deemed to be in Breach of this Agreement for its compliance therewith. When any Party
becomes aware of such a situation, it shall notify the other Party 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.

29.6 Entire Agreement. This Agreement, including all Appendices 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

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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. This Agreement shall not be amended, modified or supplemented unless

such amendment shall be in writing and duly executed by 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 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;
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

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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

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Commercial Operation Date

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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 the a 345kV transmission line from the 345kV Ramapo

Substation and terminating at the Rock Tavern substation, owned by Central Hudson. The

Reliability Project requires certain modifications at the 138kV Ramapo Substation, the 345kV Ramapo Substation, and the 345kV Rock Tavern Substation. In addition, System Upgrade Facilities at the Sugarloaf Substation will need to be constructed in order to permit the voltages to be transformed from 345kV to 138kV.3 Finally, the 345kV transmission line will be
interconnected to the Rock Tavern Substation4.

2. Transmission Project Overview

The Transmission Project consists of a new 345kV transmission line segment between the

Sugarloaf 345 kV Facility and the Rock Tavern 345kV Substation. The Point of Interconnection occurs at a flex removable link connection point that is physically located between the tower (continuing on to the Rock Tavern 345kV Substation) and the rigid bus, which is referred to as the “Facility,” both of which are within the 345kV Sugarloaf Substation.

3. Attachment Facilities:

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

The Developer’s Attachment Facilities include the following equipment:

There are no Developer’s Attachment Facilities.

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

The Connecting Transmission Owner’s Attachment Facilities include the following equipment:

3 A separate Interconnection Agreement between the Parties covers the interconnection into the 345kV Ramapo Substation and the modifications of the Sugarloaf substation.

4 A separate Interconnection Agreement between Con Edison and Central Hudson covers the Rock Tavern Substation interconnection.

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There are no Connecting Transmission Owner Attachment Facilities.

4. System Upgrade Facilities: The System Upgrade Facilities required for the Transmission Project are listed below:

 the flex links consist of 1590 kcmil Aluminum Conductor Steel Reinforced
 (ACSR) conductor

5. System Deliverability Upgrades:

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

Figure A-1 One Line diagram has been deleted from the public version.

The Developer will own the transmission line from the Point of Interconnection (“POI”)
and Point of Ownership Change (“PCO”) going to the Rock Tavern Substation. The
Connecting Transmission Owner shall own all the facilities on the other side of the POI
and PCO.

6. Tax Liability

As of the Effective Date, Developer and Connecting Transmission Owner are not aware of Developer having any tax liability under Article 5.17 of this Agreement.

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APPENDIX B

MILESTONES

1. Selected Option Pursuant to Article 5.1

Under Article 5.1 of this Agreement, Developer and Connecting Transmission Owner have
agreed that, pursuant to Article 5.1.3 (Option to Build), Developer shall be responsible for
designing, procuring and constructing of System Upgrade Facilities identified in Section 4 of
Appendix A of this Agreement. Developer shall transfer to Connecting Transmission Owner,
and Connecting Transmission Owner shall own System Upgrades Facilities as identified in
Section 4 of Appendix A to this Agreement. Developer shall cooperate with Connecting
Transmission Owner to insure that these transfers are done in a timely manner.

The flex link connection will be installed after the 345kV Sugarloaf Substation has been

completed, pursuant to the Con Edison-Orange and Rockland Ramapo Interconnection

Agreement. 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
emergency reliability solution pursuant to this Agreement and as defined in Section 2 of this
Agreement. Developer accepts cost responsibility for all engineering, procurement and
construction costs associated with the transmission expansion and SUF’s.

Prior to the In-Service Date, Developer and the 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 days of
receiving the request by Developer.

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

A. The parties do not believe that any permits are required. If permits are required,

however, the Developer will obtain the permits and submit to Connecting Transmission Owner copies of all required construction permits including all supporting documentation such as calculations, applications and drawings in a timely fashion.

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

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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.

D. Developer shall be responsible for all fines imposed on Connecting Transmission Owner
 by a Governmental Authority or Applicable Reliability Councils due to any Developer
 action or inaction relating to the Transmission Facility as described in Appendix C.

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APPENDIX C

INTERCONNECTION DETAILS

1. Description of Facilities

(a) Overview of the Transmission Project

The Developer is planning the installation of a 345 kV transmission line that is scheduled to be placed into commercial operation by June, 2016. This new transmission line will electrically connect Central Hudson’s 345 kV Rock Tavern Substation with the
Developer’s Ramapo 345 kV Substation.

The Point of Interconnection for the Transmission Project will be located between the
Transmission line tower connecting the feeder 76 line segment to the Rock Tavern
Substation and the rigid bus within the 345kV Sugarloaf Substation, as described in
Figure A-1

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) Developer shall comply with Connecting Transmission Owner 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

This Interconnection Agreement does not require the installation of any additional system protection or other control equipment.

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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

Orange and Rockland Utilities, Inc. 390 West Route 59

Spring Valley, New York 10977
Attn. Vice President-Operations

Re: Sugarloaf Interconnection
Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

On [Date] Consolidated Edison Company of New York, Inc. has completed Trial

Operation. This letter confirms that Con Edison commenced Commercial Operation of the Transmission Facility, effective as of [Date plus one day].

Thank you.

[Signature]

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APPENDIX F

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

1. Notices:

(a) Connecting Transmission Owner:

Orange and Rockland Utilities, Inc.

390 West Route 59

Spring Valley, New York 10977 Attn: Vice President, Operations Phone: (845) 577-3697

Fax: (718) 923-7011

(b) Developer:

Consolidated Edison Company of New York, Inc.

4 Irving Place

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

Fax: (212) 674-7329

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2. Billings and Payments:

(a) Connecting Transmission Owner:

Orange and Rockland Utilities, Inc.

390 West Route 59

Spring Valley, New York 10977 Attn. Vice President, Operations Phone: (845) 577-3697

Fax: (718) 923-7011

(b) Developer:

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

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