

"REDACTED"

INTERCONNECTION AGREEMENT

by and between

NEW YORK STATE ELECTRIC & GAS CORPORATION

and

STEUBEN RURAL ELECTRIC COOPERATIVE, INC.

(STEUBEN COUNTY LANDFILL PROJECT)

Dated as of October 6, 2010

Execution Copy

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INTERCONNECTION AGREEMENT

This Interconnection Agreement ("Agreement") is made and entered into this 6TH day of October, 2010 ("Effective Date"), by and between New York State Electric & Gas Corporation, a corporation existing under the laws of the State of New York ("Transmission Owner" or "NYSEG") and the Steuben Rural Electric Cooperative Inc., New York, a rural electric cooperative corporation organized and existing under the laws of the State of New York ("Interconnection Customer"). The Transmission Owner and the Interconnection Customer are hereinafter sometimes referred to individually as "Party" or referred to collectively as the "Parties."

Transmission Owner Information

New York State Electric & Gas Corporation
Attention: Manager Programs/Projects
Electric Transmission Services
18 Link Drive
Binghamton, NY 13902-5224
Phone: (607) 762-7606

Interconnection Customer Information

Steuben Rural Electric Cooperative, Inc.
Attention: General Manager
9 Wilson Avenue
Bath, New York 14810-1633
Phone: (607) 774-4161

In consideration of the mutual covenants set forth herein, the Transmission Owner and the Interconnection Customer agree as follows:

Article 1 Scope and Limitations of Agreement

1.1 Capitalized Terms

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement, which meanings shall supersede any and all other definitions of such similar terms in the NYISO Open Access Transmission Tariff and the Applicable Reliability Standards.

1.2 Scope

This Agreement governs the terms and conditions under which the Interconnection Customer's Distribution System will interconnect, and operate in parallel, with

[REDACTED]

1.3 No Power Purchase

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power, or any power procured by Interconnection Customer from a third party. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any, or applicable provisions of the New York Independent System Operator, Inc.'s ("NYISO's") or Transmission Owner's tariffs. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity in accordance with the applicable provisions of the NYISO OATT and Transmission Owner's tariff, as applicable. The execution of this Agreement does not constitute a request for, nor agreement to, provide energy, Ancillary Services or Installed Capacity under the NYISO Services Tariff or any Transmission Owner's tariff. If Interconnection Customer wishes to supply or purchase energy, Installed Capacity or Ancillary Services, then Interconnection Customer will make application to do so in accordance with the NYISO Services Tariff or Transmission Owner's tariff.

1.4 Limitations of this Agreement

Nothing in this Agreement is intended to affect any other agreement by and between the Transmission Owner and the Interconnection Customer.

1.5 Responsibilities of the Interconnection Customer and the Transmission Owner

- 1.5.1 The Interconnection Customer and the Transmission Owner shall perform all of their respective obligations under this Agreement in accordance with all Applicable Laws and Regulations, Applicable Reliability Standards, the Operating Requirements listed by the Transmission Owner in Attachment 6 of this Agreement, and Good Utility Practice, as may be applicable under this Agreement.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate, and maintain the Interconnection Customer's Distribution System in accordance with this Agreement and shall construct, interconnect, operate, maintain, repair, and inspect the Small Generating Facility up to the point of distribution to the Transmission Owner in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with its obligations under this Agreement, and with Good Utility Practice. The point of distribution to the Transmission Owner shall be as indicated on Attachment 4 to the Interconnection Agreement.
- 1.5.3 The Transmission Owner shall construct, operate, and maintain its Interconnection Facilities and Upgrades in accordance with this Agreement.
- 1.5.4 The Interconnection Customer agrees to construct the Small Generating Facility and Interconnection Customer's Interconnection Facilities in

accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate the Interconnection Customer's Distribution System so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Owner.

1.5.5 Each of the Transmission Owner and the Interconnection Customer shall operate, maintain, repair, and inspect, and shall be fully responsible for, the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of its respective lines and appurtenances on its respective side of the Point of Change of Ownership. The Transmission Owner and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Owner's and the Interconnection Customer's electric system, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 The Transmission Owner shall cooperate with the NYISO in coordinating with all Affected Systems to support the interconnection of the Interconnection Customer's Distribution System.

1.6 Parallel Operation Obligations of the Interconnection Customer

Once the Interconnection Customer's Small Generating Facility and Distribution System have been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Interconnection Customer's Small Generating Facility and Distribution System in the applicable control area, including, but not limited to: (1) any requirements consistent with Good Utility Practice or that are necessary to ensure the safe and reliable operation of the Transmission System or Transmission Owner's Distribution System; and (2) the Operating Requirements set forth in Attachment 6 of this Agreement.

1.7 Metering

[REDACTED]

[REDACTED]

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design the Small Generating Facility and Distribution System to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range established by the Transmission Owner as set forth in Attachment 6 to this Agreement.

1.8.2 The NYISO may be required to pay the Interconnection Customer for reactive power, or voltage support service, that the Interconnection Customer Facility provides in accordance with Rate Schedule 2 of the NYISO Services Tariff.

Article 2 Inspection, Testing, Authorization, and Right of Access with respect to the Interconnection Customer's Small Generating Facility and Distribution System

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect the Interconnection Customer's Small Generating Facility and Distribution System prior to interconnection. The Interconnection Customer shall notify the Transmission Owner of such activities no fewer than 5 Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Owner may,

[REDACTED]

2.1.2 The Transmission Owner shall provide the Interconnection Customer written acknowledgment within 3 Business Days of receipt that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Owner of the safety, durability, suitability, or reliability of the

Interconnection Customer's Small Generating Facility and Distribution System or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power transmitted through the Interconnection Customer's Distribution System.

2.2 Authorization Required Prior to Parallel Operation

[REDACTED]

[REDACTED]

2.3 Right of Access

2.3.1 Upon reasonable notice and at its own expense, the Transmission Owner may send a qualified person to the premises of the Interconnection Customer to inspect the interconnection, and observe the commissioning of the Interconnection Customer's Small Generating Facility and Distribution System (including any required testing), startup, and operation for a period of up to 3 Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Owner at least 5 Business Days prior to conducting any on-site verification testing of the Interconnection Customer's Small Generating Facility and/or Distribution System.

2.3.2 Following the initial inspection process described above in Article 2.3.1, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an Emergency Condition or hazardous condition, the Transmission Owner shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with this Article 2.3.

Article 3 Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Interconnection Customer and the Transmission Owner. The Transmission Owner shall promptly file, or cause to be filed, this Agreement with the New York Public Service Commission ("NYPSC") upon execution, if required.

3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten (10) years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement.

3.3 Termination

3.3.1 No termination shall become effective until the terminating Party has complied with all Applicable Laws and Regulations applicable to such termination, including the filing with NYPSC or FERC of a notice of termination of this Agreement (if required and as applicable), which notice has been accepted for filing by NYPSC or FERC. The limitations of liability, indemnification and confidentiality provisions of this Agreement shall survive termination or expiration of this Agreement.

3.3.2 [REDACTED]

3.3.3 [REDACTED]

3.3.4 Upon termination of this Agreement, the Interconnection Customer's Distribution System will be disconnected from the Transmission Owner's Distribution System, as applicable. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

3.3.5 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination. The Interconnection Customer shall pay all amounts in excess of any deposit or other security without interest within 30 calendar

days after receipt of the invoice for such amounts. If the deposit or other security exceeds the invoice, the Transmission Owner shall refund such excess within 30 calendar days of the invoice without interest. If the Interconnection Customer disputes an amount to be paid the Interconnection Customer shall pay the disputed amount to the Transmission Owner or into an interest bearing escrow account, pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Transmission Owner. The limitations of liability, indemnification and confidentiality provisions of this Agreement shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions

- 3.4.1.1. "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Owner, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the New York State Transmission System or Transmission Owner's Distribution System, the Transmission Owner's Interconnection Facilities or the electric systems of others to which the New York State Transmission System or Transmission Owner's Distribution System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Interconnection Customer's Small Generating Facility or Distribution System .
- 3.4.1.2. The Transmission Owner shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's Small Generating Facility and/or Distribution System.

- 3.4.1.3. The Interconnection Customer shall notify the Transmission Owner promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the New York State Transmission System or Transmission Owner's Distribution System. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of each Party's facilities and operations, its anticipated duration, and the necessary corrective action.
- 3.4.1.4. Under Emergency Conditions and after notification has been provided to Interconnection Customer, the Transmission Owner may suspend interconnection service and temporarily disconnect the Interconnection Customer's Small Generating Facility and/or Distribution System. Under Emergency Conditions or in the event of a hazardous condition and after notification has been provided to the Transmission Owner, Interconnection Customer may suspend interconnection service and temporarily disconnect its facilities from the Transmission Owner's Distribution System.

3.4.2 Routine Maintenance, Construction, and Repair

The Transmission Owner may interrupt interconnection service to the Interconnection Customer's Distribution System or temporarily disconnect the Interconnection Customer's Distribution System from the Transmission Owner's Distribution System when necessary for routine maintenance, construction, and repairs on the New York State Transmission System or Transmission Owner's Distribution System. The Transmission Owner shall provide the Interconnection Customer and the Generating Facility Owner with 5 Business Days written notice prior to such interruption. The Transmission Owner shall use Good Utility Practice to coordinate such reduction or temporary disconnection with the Interconnection Customer and the Generating Facility Owner.

3.4.3 Forced Outages

During any forced outage, the Transmission Owner may suspend interconnection service to the Interconnection Customer's Distribution System to effect immediate repairs on the New York State Transmission System or the Transmission Owner's Distribution System. The Transmission Owner shall use Good Utility Practice to provide the Interconnection Customer and the Generating Facility Owner with prior notice. If prior notice is not given, the Transmission Owner shall, upon request, provide the Interconnection Customer and the Generating Facility Owner written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects

The Transmission Owner shall notify the Interconnection Customer and the Generating Facility Owner as soon as practicable if, based on Good Utility Practice, operation of the Interconnection Customer's Distribution System or the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Interconnection Customer's Distribution System or the Small Generating Facility could cause damage to the New York State Transmission System, the Transmission Owner's Distribution System, or if disconnection is otherwise required under Applicable Reliability Standards. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer and the Generating Facility Owner upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Owner may disconnect the Interconnection Customer's Distribution System from the Transmission Owner's Interconnection Facilities at Interconnection Customer's expense. The Transmission Owner shall provide the Interconnection Customer and the Generating Facility Owner with 5 Business Days notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Interconnection Customer's Distribution System

The Interconnection Customer will notify the Transmission Owner of any change to the Interconnection Customer's Distribution System that may have a material impact on the safety or reliability of the New York State Transmission System or the Transmission Owner's Distribution System.

3.4.6 Reconnection

The Parties shall cooperate with each other and shall utilize Good Utility Practice to restore the Interconnection Customer's Distribution System, the Interconnection Facilities, the New York State Transmission System and the Transmission Owner's Distribution System to their normal operating state as soon as reasonably practicable following a temporary disconnection. Interconnection Customer shall be responsible for all costs associated with reconnection if the temporary disconnection was caused by Interconnection Customer.

Article 4 Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities

4.1.1 [REDACTED]

4.1.2 [REDACTED]

4.2 Distribution Upgrades

[REDACTED]

Article 5 Cost Responsibility for System Upgrade Facilities

5.1 Applicability

[REDACTED]

[REDACTED]

5.2 System Upgrade Facilities

The Transmission Owner shall procure, construct, install, and own the System Upgrade Facilities described in Attachment 7 of this Agreement. To the extent that design work is necessary in addition to that already accomplished in the facilities study for the Interconnection Customer, the Transmission Owner shall perform or cause to be performed such work. If all the Parties agree, the Interconnection Customer may construct System Upgrade Facilities that are located on land leased or owned by the Interconnection Customer or on land for which the Interconnection Customer possesses a right-of-way.

5.2.1

[REDACTED]

5.3 Special Provisions for Affected Systems

For the repayment of amounts, if any, advanced to Affected System Operator for System Upgrade Facilities, the Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment, but only if responsibility for the cost of such System Upgrade Facilities is not to be allocated in accordance with Attachment S of the NYISO OATT. Such an agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected Systems Operator as well as the repayment by Affected System Operator.

Article 6 Billing, Payment, Milestones, and Financial Security

6.1 Billing and Payment Procedures and Final Accounting

6.1.1 The Transmission Owner shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by those Parties. The Interconnection Customer shall pay all invoice amounts within 30 calendar days after receipt of the invoice.

6.1.2 Within 3 months of completing the construction and installation of the Transmission Owner's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Owner shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost

responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Owner for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Owner shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Owner within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Owner shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

- 6.1.3 If the Interconnection Customer disputes an amount to be paid, the Interconnection Customer shall pay the disputed amount to the Transmission Owner or into an interest bearing escrow account, pending resolution of the dispute in accordance with Article 10 of this Agreement. To the extent the dispute is resolved in the Interconnection Customer's favor, that portion of the disputed amount will be credited or returned to the Interconnection Customer with interest at rates applicable to refunds under the Commission's regulations. To the extent the dispute is resolved in the Transmission Owner's favor, that portion of any escrowed funds and interest will be released to the Transmission Owner.

6.2 Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 5 of this Agreement. A Party's obligations under this provision may be extended by mutual agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to Attachment 5. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Owner's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Owner, at the Interconnection Customer's option, a guarantee, a suretybond, letter of credit or other form of security that is reasonably acceptable to

the Transmission Owner and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Owner's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Owner under this Agreement during its term. The Transmission Owner may draw on any such security to the extent that the Interconnection Customer fails to make any payments due under this Agreement. In addition:

- 6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Owner, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Owner and must specify a reasonable expiration date.

Article 7 Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment

7.1.1 This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This Agreement may be assigned by any Party with the consent of the other Party; provided that:

7.1.2 A Party may assign this Agreement without the consent of the other Party 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 that the assigning Party promptly notifies the other Party of any such assignment. A Party may assign this Agreement without the consent of the other Party in connection with the sale, merger, restructuring, or transfer of a substantial portion of all of its assets, including the Interconnection Facilities it owns, so long as the assignee in such a transaction directly assumes all applicable rights, duties and obligation arising under this Agreement.

7.1.3 [REDACTED]

7.1.4 Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall the

obligations of a Party be enlarged, in whole or in part, by reason thereof. An assignee of the Interconnection Customer is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability

7.2.1 The liability of each Party to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred.

7.2.2 Notwithstanding anything in this Agreement to the contrary, in no event shall Transmission Owner be liable to the Interconnection Customer for costs, expenses, and damages (except in cases of willful misconduct or intentional wrongdoing) in any way related to or arising from (i) the disconnection of the Interconnection Customer's Distribution System from the Transmission Owner's Distribution System, (ii) the disconnection of the Small Generating Facility from the Interconnection Customer's Distribution System, (iii) the curtailment or reduction of output of the Small Generating Facility, or (iv) the Interconnection Customer's termination of this Agreement pursuant to Article 3.3.2.

7.2.3 Notwithstanding anything in this Agreement to the contrary, in no event shall Interconnection Customer be liable to the Transmission Owner for costs, expenses, and damages (except in cases of willful misconduct or intentional wrongdoing) in any way related to or arising from (i) the disconnection of the Interconnection Customer's Distribution System from the Transmission Owner's Distribution System, (ii) the disconnection of the Small Generating Facility from the Interconnection Customer's Distribution System, (iii) the curtailment or reduction of output of the Small Generating Facility, or (iv) the Interconnection Customer's termination of this Agreement pursuant to Article 3.3.2.

7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.

7.3.2 Each Party (the "Indemnifying Party") shall at all times indemnify, defend, and hold harmless the other Party (each an "Indemnified Party") from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the

alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties (any and all of these a "Loss"), to the degree such Loss arises out of or results from (i) the Indemnified Party's performance 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 by the Indemnified Party or (ii) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of a Hazardous Substance.

- 7.3.3 If an Indemnified Party is entitled to indemnification under this article as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, 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.
- 7.3.4 If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this article, 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.
- 7.3.5 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 this article 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.

7.4 Consequential Damages

[REDACTED]

7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event 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 an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (the "Affected Party") shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Breach and Default

7.6.1 [REDACTED]

7.6.2 If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, a Default shall exist and the non-Defaulting Party shall thereafter have the right to terminate this Agreement, in accordance with Article 3.3.3 hereof, by written notice to the Defaulting Party at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not this Agreement is terminated, 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 shall survive termination of this Agreement.

Article 8 Insurance

- 8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the Small Generating Facility and distribution equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. Such insurance coverage is specified in Attachment 8 to this Agreement. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating the Small Generating Facility. Such insurance shall be obtained from an insurance provider authorized to do business in New York State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the Transmission Owner, except that the Interconnection Customer shall show proof of insurance to the Transmission Owner no later than 10 Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient creditworthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2 The Transmission Owner agrees to maintain general liability insurance or self-insurance consistent with the existing commercial practice. Such insurance or self-insurance shall not exclude the liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify the other Party whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9 Confidentiality

- 9.1 [REDACTED]
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this

Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

- 9.3 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.4 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.5 Notwithstanding anything in this Article to the contrary, if the NYPSC or FERC, 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, the Party shall provide the requested information to the NYPSC or FERC, within the time provided for in the request for information. In providing the information to the NYPSC or FERC, the Party may request that the information be treated as confidential and non-public by the NYPSC or FERC and that the information be withheld from public disclosure. The Party shall notify the other Party to this Agreement when it is notified by the NYPSC or FERC that a request to release Confidential Information has been received by the NYPSC or FERC, at which time either of the Parties may respond before such information would be made public.
- 9.6 Consistent with the provisions of this Article 9, the Parties to this Agreement will cooperate in good faith to provide each other and the NYPSC, or FERC, as applicable, the information necessary to carry out the terms of this Agreement.

Article 10 Disputes

- 10.1 The Transmission Owner and the Interconnection Customer agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this Article.
- 10.2 In the event of a dispute, the Parties will first attempt to promptly resolve it on an informal basis. If the Parties cannot promptly resolve the dispute on an informal basis, then any Party shall provide the other Party with a written Notice of dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within 5 Business Days after receipt of the Notice, any Party may contact the NYPSC for assistance in resolving the dispute.
- 10.4 Each Party agrees to conduct all negotiations in good faith, and if the Parties agree to use neutral third-parties, each Party will be responsible for one half of any costs paid to neutral third-parties.

- 10.5 If any Party elects to seek assistance from the NYPSC, or if the attempted dispute resolution fails, then any Party may exercise whatever rights and remedies it may have in equity or law.

Article 11 Taxes

- 11.1 The Parties agree to follow all applicable tax laws and regulations.
- 11.2 Each Party shall cooperate with the other Party to maintain the tax status of the other Party. Nothing in this Agreement is intended to adversely affect the tax status of any Party including the status of any Transmission Owner with respect to the issuance of bonds.
- 11.3 The Interconnection Customer represents that the Interconnection Customer is a tax exempt entity as a rural electric cooperative corporation.
- 11.4 Any payments due to the Transmission Owner under this Agreement shall be adjusted to include any tax liability incurred by the Transmission Owner with respect to the interconnection request which is the subject of this Agreement. Except where otherwise noted, all costs, deposits, financial obligations and the like specified in this Agreement shall be assumed not to reflect the impact of applicable taxes.

Article 12 Miscellaneous

12.1 Definitions

Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

12.2 Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement 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. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.3 Amendment

The Parties may amend this Agreement by a written instrument duly executed by the Parties.

12.4 No Third-Party Beneficiaries

[REDACTED]

[REDACTED]

12.5 Waiver

12.5.1 The failure of a Party 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.

12.5.2 Any waiver at any time by a 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. Termination of or default under this Agreement for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain interconnection service for the Interconnection Customer's Distribution System in accordance with Applicable Laws and Regulations. Any waiver of this Agreement shall, if requested, be provided in writing.

12.6 Entire Agreement

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

12.7 Enforceability of Agreement

This Agreement constitutes the legal, valid and binding obligation of each Party enforceable against each Party, in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in equity or at law).

12.8 Governmental Approvals

No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by any Party of this Agreement, other than those that have been duly obtained or made and are in full force and effect as of the Effective Date.

12.9 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. The delivery of signature pages to this Agreement by facsimile or other electronic transmission will be deemed to be an original of the Agreement so transmitted.

12.10 No Partnership

This Agreement shall not be interpreted or construed to create 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, another Party.

12.11 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.12 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects the NYISO, the Transmission Owner, Market Participants, and Interconnection Customers interconnected to electric systems 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 are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.13 Environmental Releases

Each Party shall 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 Interconnection Customer's Distribution System or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such notifying Party makes a good faith effort to provide the notice no later than 24 hours after such notifying Party becomes aware of the

occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.14 Subcontractors

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 Party for the performance of such subcontractor.

12.14.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party to the extent provided for in Articles 7.2 and 7.3 above 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 the Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Notwithstanding anything in this Agreement to the contrary, in no event shall the Interconnection Customer be liable for the actions or inactions of the Transmission Owner or its subcontractors which constitute a breach of this Agreement or otherwise are performed outside the scope 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.

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

Article 13 Notices

13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager Programs/Projects
Electric Transmission Services

18 Link Drive
Binghamton, NY 13902-5224
Phone: (607) 762-7606

If to the Interconnection Customer:

Steuben Rural Electric Cooperative, Inc.
Attention: General Manager
9 Wilson Avenue
Bath, New York 14810-1633
Phone: (607) 774-4161

If to the Generating Facility Owner:

Steuben Rural Electric Cooperative, Inc.
Attention: General Manager
9 Wilson Avenue
Bath, New York 14810-1633
Phone: (607) 774-4161

13.2 **Billing and Payment**

Billings and payments shall be sent to the addresses set out below:

If to the Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager Programs/Projects
Electric Transmission Services
18 Link Drive
Binghamton, NY 13902-5224
Phone: (607) 762-7606
Fax: (607) 762-8666

If to the Interconnection Customer:

Steuben Rural Electric Cooperative, Inc.
Attention: General Manager
9 Wilson Avenue
Bath, New York 14810-1633
Phone: (607) 774-4161

13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone to the telephone number set out below in the event of an Emergency Condition and provided such telephone call is followed up by a written notice delivered in person within twenty four hours of the telephone call, or delivered by recognized national courier service such that the written notice arrives on the next business day following the phone call:

If to the Transmission Owner:

New York State Electric & Gas Corporation
Attention: Manager Programs/Projects
Electric Transmission Services
18 Link Drive
Binghamton, NY 13902-5224
Phone: (607) 762-7606

If to the Interconnection Customer:

Steuben Rural Electric Cooperative, Inc.
ATTN: Harold Rodbourn
Operations Manager
9 Wilson Avenue
Bath, New York 14810
Office Phone: (607) 776-4161
Cell Phone: (607) 542-6921

13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the facilities of the Parties.

Transmission Owner's Operating Representative:

New York State Electric & Gas Corporation
Attention: Manager Programs/Projects
Electric Transmission Services
18 Link Drive
Binghamton, NY 13902-5224
Phone: (607) 762-7606

Interconnection Customer's Operating Representative:

Steuben Rural Electric Cooperative, Inc.
Attention: General Manager
9 Wilson Avenue
Bath, New York 14810-1633
Phone: (607) 774-4161

13.5 Changes to the Notice Information

Either Party may change this information by giving 5 Business Days written notice prior to the effective date of the change.

13.6 Notice to Generating Facility Owner under this Agreement

The Parties to this Agreement agree to provide Notice to the Generating Facility Owner to the extent required under this Agreement; provided however, that a Party's failure to provide such notice to the Generating Facility Owner shall not impact that Party's rights under this Agreement.

Article 14 Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

NEW YORK STATE ELECTRIC & GAS
CORPORATION

 *MAC*

Name: Dave Kimiecik

Title: VP Energy Supply/Transmission

Date: 10/6/10

STEUBEN RURAL ELECTRIC
COOPERATIVE INC.

Name:

Title:

Date:

Article 14 Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

NEW YORK STATE ELECTRIC & GAS
CORPORATION

Name:
Title:
Date:

STEUBEN RURAL ELECTRIC
COOPERATIVE INC.


Name: Gordon Foster
Title: President
Date: 08-18-10

Attachment 1
Glossary of Terms

Affected System – An electric system other than the Transmission Owner’s Distribution System or the transmission system owned, controlled or operated by the Transmission Owner that may be affected by the interconnection of the Interconnection Customer’s Small Generating Facility and/or Distribution System.

Affected System Operator – Affected System Operator shall mean the operator of any Affected System.

Applicable Laws and Regulations – 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 Laws that are published and publicly available.

Applicable Reliability Standards – The criteria, requirements and guidelines of the North American Electric Reliability Corporation, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations, or the Transmission District to which the Interconnection Customer’s Distribution System is directly interconnected, as those criteria, 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 of or validity of any criterion, requirement or guideline as applied to it in the context of this Agreement.

Breach - The failure of a Party to perform or observe any material term or condition of this Agreement.

Business Day – Monday through Friday, excluding federal holidays.

Default – The failure of a Party in Breach of this Agreement to cure a Breach under this Agreement.

Distribution Upgrades – The additions, modifications, and upgrades to the Transmission Owner’s Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Interconnection Customer’s Small Generating Facility and/or Distribution System and render the transmission service necessary to affect the Interconnection Customer’s wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date – The date set forth in the first paragraph of this Agreement.

Emergency Condition shall have the meaning provided for in Article 3.4.1.1 of this Agreement.

Force Majeure – 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 an act of negligence or intentional wrongdoing. For the purposes of this Agreement, this definition of Force Majeure shall supersede the definitions of Force Majeure set out in Section 10.1 of the NYISO Open Access Transmission Tariff.

Generating Facility Owner – Steuben Rural Electric Cooperative, Inc., a rural electric cooperative corporation organized and existing under the laws of the State of New York. The Generating Facility Owner is the same entity as the Interconnection Customer.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry in the United States 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 results at a commercially 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 refer to a range of acceptable practices, methods, and acts.

Governmental Authority – 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 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 the Interconnection Customer, Generating Facility Owner, the NYISO, Transmission Owner or any Affiliate thereof.

Interconnection Customer – Steuben Rural Electric Cooperative Inc., New York, a rural electric cooperative corporation organized and existing under the laws of the State of New York

Interconnection Customer's Distribution System – The Interconnection Customer's facilities and equipment used to distribute electricity that are not under the operational control of the NYISO or the Transmission Owner, and includes the Interconnection Customer's Interconnection Facilities.

Interconnection Customer's Interconnection Facilities shall refer to those facilities and equipment necessary to physically and electrically connect the Interconnection Customer's Distribution System to the Transmission Owner's Distribution System at the Point of Interconnection. The Interconnection Customer's Interconnection Facilities are set forth in the one-line diagram attached to this Agreement as Attachment 4.

Interconnection Facilities – The Transmission Owner's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment, including any modification, additions or upgrades, that are necessary to physically and electrically interconnect the Interconnection Customer's Distribution System to the Transmission Owner's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or System Upgrade Facilities.

New York State Transmission System - New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the transmission facilities under NYISO operational control; (ii) the transmission facilities requiring NYISO notification; and (iii) all remaining transmission facilities within the New York Control Area.

NYISO - New York Independent System Operator, Inc.

Operating Requirements - Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Owner's requirements, including those set forth in this Agreement. Operating Requirements shall include Applicable Reliability Standards as set forth specifically in Attachment 6 to this Agreement.

Party or Parties shall have the meaning provided for in the Preamble to this Agreement.

Point of Change of Ownership shall mean the point where the Interconnection Customer's Interconnection Facilities connect to the Transmission Owner's Interconnection Facilities.

Point of Interconnection - The point where the Interconnection Customer's Distribution System connects with the Transmission Owner's Distribution System.

SGF Point of Interconnection - shall have the meaning in Section A of Attachment 2 of this Agreement.

Small Generating Facility - shall have meaning in Section A of Attachment 2 of this Agreement.

System Upgrade Facilities - No System Upgrade Facilities have been identified under this Agreement.

Tariff - The NYISO's Open Access Transmission Tariff, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

Transmission Owner - New York State Electric & Gas Corporation.

Transmission Owner's Distribution System - The Transmission Owner's facilities and equipment used to distribute electricity that are not under the operational control of the NYISO.

Transmission Owner's Interconnection Facilities - shall refer to those facilities and equipment necessary to physically and electrically connect the Transmission Owner's Distribution System to the Interconnection Customer's Distribution System at the Point of Interconnection. The Transmission Owner's Interconnection Facilities are set forth in the one-line diagram attached to this Agreement as Attachment 4.

Upgrades – The required additions and modifications to the Transmission Owner's portion of the New York State Transmission System or the Transmission Owner's Distribution System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2
Detailed Scope of Work, Including
Description and Costs of the Interconnection Customer's Distribution System, Small
Generating Facility, Interconnection Facilities, Distribution Upgrades, and Metering
Equipment

Equipment, including the Interconnection Customer's Distribution System, Small Generating Facility, Interconnection Facilities, Distribution Upgrades, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Generating Facility Owner or the Transmission Owner. The Transmission Owner will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

A. Project Description

Interconnection Customer's Distribution System Point of Connection Address:

[REDACTED]

Small Generating Facility Address:

5612 Turnpike Road
Bath, New York 14810

[REDACTED]

B. Interconnection Customer's Interconnection Facilities

[REDACTED]

2. Description of Interconnection Customer's Distribution System

The SREC distribution system interconnecting the Small Generation Facility to the NYSEG system are indicated on the one-line diagram in Attachment 4 to this Agreement, and as further described below.

- [• [REDACTED]
[REDACTED]
[REDACTED]
- [REDACTED]

3. Description of Small Generating Facility

Small Generating Facility Equipment List

- [• [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
[REDACTED]

C. Transmission Owner's Interconnection Facilities

The Transmission Owner's Interconnection Facilities are indicated on the one-line diagram in Attachment 4 to this Agreement, and as further described below.

1. Transmission Owner Overall Scope of Work and Responsibilities:

- [• [REDACTED]
- [REDACTED]
[REDACTED]

Transmission Owner Equipment List

- [[REDACTED]
- [REDACTED]

[REDACTED]

2. Description Of Generator Disconnect Switch

[REDACTED]

3. Description of Billing Metering

- TransData Mark V Solid State Revenue Meter - With DNP 3.0 protocol to communicate megawatts, megavars, volts, frequency, amps and megawatt hours.
- An RS485 link is required between the RTU and the revenue meter. Since the meter is outside of the ground of the Quarry Substation, an optical link is required.
- The revenue meter must be connected to dial-up POTS. This may be a shared circuit.

4. Description of RTU Communications

- The RTU will monitor the status of the recloser at the POI. NYSEG ECC will have the capability of tripping the recloser in an emergency. NYSEG ECC will not have the capability to close the recloser. Meter quantities to the RTU will come from the NYSEG revenue meter. The RTU requires a 4-wire leased line from the RTU to the NYSEG Energy Control Center (ECC) in Binghamton. The local phone company may require this leased line to have high voltage special protection (HVSP) otherwise referred to as a Positron.

D. Cost Estimates Related to Transmission Owners Interconnection Facilities

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

E. Operating and Maintenance Expenses

In accordance with Article 4.1.2 of this Agreement, the Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads ("O&M Expenses") associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Owner's Interconnection Facilities, as set forth below.

1. Actual Annual O&M Payment

[REDACTED]

[REDACTED]

[REDACTED]

2. Calculation of Interconnection Customer's Share of O&M Expenses

[REDACTED]

[REDACTED]

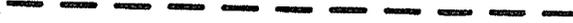
[REDACTED]

[REDACTED]

[REDACTED]

Attachment 3
[Reserved]

Attachment 4
**One-line Diagram Depicting the Interconnection Customer's Distribution System, Small
Generating Facility, Interconnection Facilities, Metering Equipment, and Distribution**



For the Transmission Owner D. J. K. - J ^{MAC} Date 10/6/10

Interconnection Customer _____ Date _____

For the Transmission Owner _____ Date

Interconnection Customer *Golden State* _____ Date

**Attachment 6
Operating Requirements**

The Transmission Owner shall provide requirements that must be met by the Interconnection Customer and the Generating Facility Owner prior to initiating parallel operation of the Interconnection Customer's Distribution System and the Small Generating Facility with the Transmission Owner's Distribution System.

The Interconnection Customer must also comply with the Transmission Owner's operating instructions and requirements as referenced herein, which requirements shall include equipment outages and control arrangements, tagging agreements and procedures, maintenance arrangements and responsibilities, company contacts and phone numbers and supervisory equipment. A set of operating instructions dated August, 2010 has been shared by Transmission Owner with Interconnection Customer and both Parties agree to comply with the Interim Operating Instructions as they may be revised or superseded in accordance with Good Utility Practice or the need to ensure the safe and reliable operation of the Transmission Owner's Distribution System.

[REDACTED]

Appendix A
Transmission Owner's Bulletin 86-01

**Attachment 7
Transmission Owner's Description of its Distribution Upgrades
and Best Estimate of Upgrade Costs**

To the extent that Distribution Upgrades are required to establish or maintain the interconnection of the Interconnection Customer's Distribution System, the Transmission Owner shall describe such Distribution Upgrades and provide an itemized best estimate of the cost, including overheads, of the Distribution Upgrades and annual operation and maintenance expenses associated with such Distribution Upgrades. The Transmission Owner shall functionalize Distribution Upgrade costs and annual expenses as either transmission or distribution related.

With regard to only those Distribution Upgrades that are required to establish or maintain the interconnection of the Interconnection Customer's Distribution System, the cost estimate for such Distribution Upgrades shall include the costs of Distribution Upgrades that are reasonably allocable to the Interconnection Customer at the time the estimate is made, and the costs of any such Distribution Upgrades not yet constructed.

Distribution Upgrades Facilities

A. Description of Protection Measures

- [● [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Transmission Owner Overall Scope of Work and Responsibilities:

- [● [REDACTED]
- [● [REDACTED]
- [REDACTED]
- [● [REDACTED]
- [● [REDACTED]
- [REDACTED]
- [● [REDACTED]
- [● [REDACTED]

B. Cost Estimates Related to Distribution Upgrade Facilities

[REDACTED]

• [REDACTED]

• [REDACTED]

• [REDACTED]

• [REDACTED]

[REDACTED]

**Attachment 8
Insurance Coverage**

Each Party shall, at its own expense, maintain in force throughout the period of this Agreement, the following minimum insurance coverage, with insurers authorized to do business in the State of New York:

[REDACTED]