

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
STATE OF NEW YORK**

Application of Champlain Hudson Power Express, Inc. and CHPE Properties, Inc. for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the Public Service Law for the Construction, Operation and Maintenance of a High-Voltage Direct Current Circuit from the Canadian Border to New York City	)	
	)	Case No. 10-T-0139

**STIPULATION EXTENDING TIME FOR SUBMISSION  
OF TRUST AGREEMENT**

**WHEREAS**, on February 24, 2012, a Joint Proposal of Settlement (the “JP”) was filed with the New York State Public Service Commission by the Signatory Parties thereto (the “Signatory Parties”); and

**WHEREAS**, the following Signatory Parties have authorized Champlain Hudson Power Express, Inc. and CHPE Properties (collectively, the “Applicants”) to state that they join with Applicants in supporting this Stipulation: the Staff of the New York State Department of Public Service (“DPS Staff”); the New York State Department of Environmental Conservation (“NYSDEC”), the New York State Department of State (“NYSDOS”), the New York State Office of Parks, Recreation and Historic Preservation (“NYSOPRHP”), the City of New York, New York (“New York City”), the New York State Council of Trout Unlimited (“Trout Unlimited”), Riverkeeper, Inc. (“Riverkeeper”), and Scenic Hudson, Inc. (“Scenic Hudson”).

**WHEREAS**, the JP seeks approval for Applicants to construct and operate a 1,000 MW High Voltage, Direct Current transmission facility running from Quebec, Canada to New York City (the “Facility”), portions of which are to be located in the waters of Lake Champlain and the Hudson, Harlem and East Rivers; and

**WHEREAS**, Appendix C to the JP contains the Proposed Certificate Conditions that will govern construction and operation of the Facilities (the “Certificate Conditions”); and

**WHEREAS**, Section U of the Certificate Conditions provides for the establishment of the Hudson River and Lake Champlain Habitat Enhancement, Restoration and Research/Habitat Improvement Project Trust (the “Trust”), which is established solely for the purposes of protecting, restoring, and improving aquatic habitats and fisheries resources in the Hudson River

Estuary, the Harlem and East Rivers, Lake Champlain and their tributaries, in order to minimize, mitigate, study and/or compensate for the short-term adverse aquatic impacts and potential long-term aquatic impacts and risks to these water bodies from Facility construction and operation and for the administration of the Trust to the extent expressly authorized therein; and

**WHEREAS**, hearings on the JP were conducted on July 18 to 20, 2012, and initial and reply post-hearing briefs were filed on August 22 and September 7, 2012, respectively; and

**WHEREAS**, none of the parties opposing the JP raised any factual, legal or policy issues with respect to the provisions of Section U of the Certificate Conditions or with respect to the scope or purposes of the Trust generally in either their testimony or briefs in this proceeding; and

**WHEREAS**, Section U of the Certificate Conditions further requires Applicants to submit an agreement providing for the establishment of the Trust (the “Trust Agreement”) within sixty (60) days after Applicants’ receipt of the Certificate; and

**WHEREAS**, Section U of the Certificate Conditions also obligates Applicants to provide a total of \$ 117 million in funding for the Trust as specified therein, with the first payment of \$ 2.5 million due thirty (30) days after the closing of Applicants’ financing for construction of the Facility (the “Closing”); and

**WHEREAS**, Condition 165(c) of the Certificate provides for the establishment within thirty (30) days of the Closing of a Governance Committee consisting of Applicants, DPS Staff, NYSDEC, NYSDOS, New York City, the New York State Adirondack Park Agency, NYSOPRHP; Trout Unlimited, Riverkeeper, and Scenic Hudson (the “Governance Committee”); and

**WHEREAS**, the parties designated in Certificate Condition 165(c) as members of the Governance Committee have met to discuss the form of the Trust Agreement and the Governance Agreement and are exploring the possibility of retaining an administrator to assist the Governance Committee in the performance of its duties under the Trust Agreement (the “Trust Administrator”) as authorized by Section U of the Certificate Conditions; and

**WHEREAS**, the parties designated as members of the Governance Committee believe that additional time will be required to select a Trust Administrator and to prepare a Trust Agreement in a form acceptable to that Trust Administrator; and

**WHEREAS**, Applicants anticipate that the Closing will not occur prior to the fourth quarter of 2013;

**IT IS HEREBY STIPULATED AND AGREED**, that Section 165(a) of the Certificate Conditions shall be revised as follows:

- (a) Certificate Holders shall file an agreement providing for the establishment of the Trust (the “Trust Agreement”) within ~~sixty~~ (60) one hundred and twenty (120) days after issuance of this Certificate. The trustee selected by Certificate Holders to oversee the Trust (the “Trustee”) shall be, or shall be associated with, a bank accredited by doing business in the State of New York. Both the Trust Agreement and the selection of the Trustee shall be subject to review and approval by the Commission (in consultation with NYSDEC) and, if required, the New York State Comptroller, and Attorney General.

**IT IS HEREBY FURTHER STIPULATED AND AGREED**, that this increase in the time available to prepare the Trust Agreement is in the public interest and should be accepted by the Commission in order to give the parties designated as members of the Governance Committee the additional time required to select a Trust Administrator for the Trust and to prepare a Trust Agreement in a form acceptable to that Trust Administrator, while still leaving ample time for the Commission to review and approve the Trust Agreement prior to the funding of the Trust.

Respectfully submitted,

*/s/ George M. Pond*

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