

Proposed Certificate conditions

1. New York Regional Interconnect Inc. (NYRI or the Company) shall design, engineer and construct the facility as described in Exhibit 2 of the Supplement to the application filed by NYRI dated February 21, 2008, according to the System Reliability Impact Study (SRIS), and the facilities design study required for the class year study. The Company shall design the facility as provided in the SRIS approved by the New York Independent System Operator (NYISO) Board of Directors. NYRI will pay for transmission upgrades as those identified by the NYISO class year study in the Annual Transmission Reliability Assessment Study, and those that may be identified by the New York Public Service Commission (the Commission) in accordance with Good Utility Practice (as defined in clause 7.c) as well as the applicable and published planning and design and best practices of Niagara Mohawk Power Corporation d/b/a National Grid (National Grid) and Central Hudson Gas and Electric Corporation (Central Hudson), of the New York State Reliability Council (NYSRC), Northeast Power Coordinating Council (NPCC), North American Electric Reliability Corporation (NERC) and successor organizations, depending on where the facilities are constructed and which standards and practices are applicable. Specific requirements shall be those required by National Grid and Central Hudson, in the Interconnection Agreement and facilities agreement.
2. The Company shall work with National Grid and Central Hudson to ensure that with the addition of the transmission facility (as defined in the IA between the Company and National Grid and Central Hudson) the system will have power system relay protection and appropriate communication capabilities to ensure that operations of the facility is adequate under NPCC Bulk Power System Protection Criteria and meets the protection requirements at all times of the NERC, NPCC, NYSRC, National Grid, and Central Hudson and successor transmission owners (as defined by National Grid and Central Hudson Agreement). The Company shall ensure compliance with applicable NPCC criteria and shall be responsible for the costs to verify that the relay protection system is in compliance with applicable NERC, NPCC, National Grid, and Central Hudson, and NYSRC criteria.
3. The Company shall operate the electric facility in accordance with the interconnection agreement(s) relating to the facility and approved tariffs and applicable rules and protocols of the NYISO, National Grid, Central Hudson, NYSRC, NPCC, NERC and successor organizations. The company may seek subsequent review of any specific operational orders at the NYISO, National Grid, Central Hudson, the Commission, the Federal Energy Regulatory Commission, or any other appropriate forum.
4. The Company shall be in full compliance with the applicable reliability criteria of National Grid, Central Hudson, NPCC, NYSRC, NERC and successor organizations. If it fails to meet such reliability criteria at any time, the Company shall notify National Grid, Central Hudson, and the NYISO immediately in accordance with the requirements, and shall simultaneously provide the Commission with a copy of any such notice.

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5. The Company shall file a copy of the following documents with the Secretary to the Commission:
 - a) all facilities agreements with National Grid and Central Hudson and any other transmission owners regarding the facility (throughout the life of the facility) as defined in the National Grid and Central Hudson Agreement
 - b) The SRIS approved by the NYISO management Committee
 - c) Any documents produced as a result of the updating requirements of the NYSRC
 - d) The relay coordination study, which shall be filed not later than eight months prior to the projected date for the commencement of commercial operation of the facility; and a copy of the manufacturers equipment electrical characteristics for the equipment installed at the converter stations (including test and design data)
 - e) A copy of the facilities design studies for the electric facilities including all updates (throughout the life of facility)
 - f) A copy of the interconnection agreement(s) relating to the facility and all updates or revisions thereto (throughout the life of the facility)
 - g) If any equipment or control system with different characteristics is to be installed, the Company shall provide that information before any such change is made (throughout the life of the facility)

6. The Company shall obey unit commitment, dispatch and operating instructions issued by the NYISO or its successor, in order to maintain the reliability of the transmission system. In the event the NYISO System Operator encounters communication difficulties, the company shall obey dispatch instructions from National Grid and Central Hudson System Operators, in order to maintain the reliability of the transmission system.

7. a) After commencement of construction of the authorized facility, the Company shall provide to Department of Public Service (DPS) Staff, National Grid, and Central Hudson with a monthly report on the progress of construction, updates to the construction schedules and file copies of current construction progress reports during all phases of construction. In the event the Commission determines that construction is not proceeding at a pace that is consistent with Good Utility Practice to meet the schedule completion date and a modification or revocation, or suspension of the certificate may be warranted, the Commission may issue a show cause order requiring the Company to explain why construction is behind schedule and to describe such measures as are being taken to get back on schedule. The order to show cause will set forth the alleged facts that appear to warrant the intended action. It shall be a defense in any proceeding initiated pursuant to this condition if the delay of concern to the commission:
 1. Arises in material part from actions or circumstance beyond the reasonable control of the Company (including the actions of third parties);
 2. is not in material part caused by the fault of the Company; or
 3. is not consistent with a schedule that constitutes Good Utility Practice

- b) The company shall file with the Secretary to the Commission, no more than four months after the commencement of construction, a detailed progress report. Shall that report indicate that construction will not be completed within 24 months after

the commencement of construction; the Company shall include in the report an explanation of the circumstances contributing to the delay and a demonstration showing why construction should be permitted to proceed. In these circumstances, an order to show cause will not be issued by the Commission, but a hearing will be held before the Commission takes any action to amend, revoke, or suspend the certificate.

- c) For purposes of this condition "Good Utility Practice" shall mean any of the applicable acts, Practices or methods engaged in or approved by a significant portion of the electric utility 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 and safety. 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 acceptable practices, methods, or acts generally accepted in the region in which the Company is located. Good Utility Practice shall include, but is not limited to the criteria, rules, guidelines and standards of NERC, NPCC, NYSRC, National Grid Central Hudson, and successor organizations (including the rules, guidelines and criteria of any successor organization for the foregoing entities). When applied to the Company, the term Good Utility Practice shall also include standards applicable to NYRI and the connecting transmission owner's transmission facilities or system of a utility.
8. The Company shall work with NYISO, National Grid, and Central Hudson system planning and system protection engineers to discuss the characteristics of the transmission system before purchasing any system protection and control equipment related to the electrical interconnection of the project to the New York State bulk transmission system. This discussion is designed to ensure equipment purchased will be able to withstand most system abnormalities. The system protection technical considerations of interconnecting the facility to the New York State bulk transmission system shall be documented by the Company and provided to the DPS Staff, National Grid, Central Hudson, and the NYISO prior to the installation of any equipment. Updates to the technical information shall be furnished as available (throughout the life of the facility)
9. The Company shall work with National Grid and Central Hudson engineers and safety personnel on testing and energizing equipment for the facility and converter stations authorized by the Commission. A testing protocol shall be developed and provided to National Grid and Central Hudson. A copy of the testing protocol shall be provided to DPS Staff and the Company shall make a good faith effort to notify DPS Staff of the meetings between the Company and National Grid and Central Hudson related to the interconnection of the project to the transmission system and provide opportunity for DPS Staff to attend those meetings.
10. The Company shall call the Staff of the Bulk Electric Systems Section within 15 minutes after any transmission related incident that affects the operation of the electric facility.

The Company shall submit a report on any such incident within seven days to the Bulk Electric Systems Staff, Central Hudson and National Grid. The report shall contain available copies of applicable drawings, descriptions of the equipment involved, a description of the incident and discussion of how future occurrences will be prevented. The Company shall work cooperatively with the NYISO, National Grid, Central Hudson, NPCC and DPS Staff to prevent any future occurrences.

11. The Company shall make modifications to its interconnection facilities, if it is found by the NYISO, National Grid, or Central Hudson to cause reliability problems to the New York State bulk transmission system. If National Grid, Central Hudson, or the NYISO bring concerns to the Commission, the Company shall be obligated to address those concerns.
12. If subsequent to the construction of the authorized facility, no electric power is transferred over such facility for a period of more than a year, the Commission may consider the amendment, revocation or suspension of the certificate.
13. In the event that an equipment failure of the authorized facility causes a significant reduction in the capability of the facility to deliver power, the Company shall promptly provide to the Bulk Electric Systems Section copies of all notices, filings, and other substantive written communications with National Grid, Central Hudson and the NYISO as to such reduction, equipment failure, and the schedule for any repairs. The Company shall report monthly to the DPS Staff, Central Hudson, National Grid and the NYISO on the progress of any repairs. If such equipment failure is not completely repaired within nine months of its occurrence, the Company shall provide a detailed report to the Secretary to the Commission, within nine months and two weeks after the equipment failure, setting forth the progress on the repairs and indicating whether repairs will be completed within three months after such filing with the Secretary to the Commission; if the repairs will not be completed within three months the Company shall explain the circumstances contributing to the delay and demonstrate why the repairs should continue to be pursued.
14. The Company shall undertake a fault current study with each and every gas pipeline operator, telecommunication company, and electric utility transmission company whose facilities the authorized facility crosses or parallels. The study shall be done in concert with each utility company and Staff of the Department shall be a part of the study task force.
15. The Company shall undertake a study to address the mono pole operation of the line to assure that none of the power under mono pole operation can take the path of any gas or other pipeline, communications cable, electric line or rail system in the vicinity. The study shall be submitted as part of the EM&CP and be provided to all electric utilities in the State of New York, gas pipeline operators and telecommunications companies. In the event the facility adversely affects the facilities of any utility in the monopole operation, the facility will be shut down immediately. A meeting between NYRI and the effected companies shall be called to determine the extent of the problem and NYRI shall

undertake an Engineering study to determine the cause and remedies available. NYRI shall be responsible for all study costs and costs to remediate the problem.

16. NYRI shall locate all residences and structures, including septic systems, wells, and fences, along the ROW and determine whether fault current from the facility could cause any damage. The Company shall propose a program to remediate any damage in its EM&CP. The program shall address issues related to electrostatic induction.
17. The Company shall develop a program to address any radio and television interference from its transmission line and how those issues will be addressed. NYRI shall describe how a complaint from a member of the public will be taken and disseminate through its organization. The program shall discuss the types of equipment the company will use to investigate interference problems and what the possible types of remedies that it will propose to rectify the problem. The program shall address how the applicant will keep records of all radio and television interference; any complaint that cannot be resolved in 30 days shall be brought to Staff's attention.
18. The Company shall utilize low noise hardware and conductor that causes the minimum corona and noise during fair weather and foul weather conditions. NYRI shall describe all the possible hardware in its EM&CP and provide copies of all documentation showing all the hardware evaluated and why the hardware that was chosen fits the requirements
19. If its facility is authorized on ROW near that of NYPA's Marcy South transmission line NYRI shall work with NYPA to design and engineer the appropriate clearances between its facility and NYPA's Marcy South facility to ensure appropriate blow-out distance between the facilities. NYRI shall provide a copy of all studies and work paper(s) in the EM&CP.
20. The Company shall design the line to comply with the latest National Electric Safety Code (NESC ANSI C-2) and all applicable American National Standards at the time the facility is designed. The conductor clearance underneath the line shall be designed as though a tractor trailer could be driven underneath the line along the entire route.
21. The Company shall be in full conformance to all the requirements of the State building code at the time the facility is designed.
22. All poles and appurtenant facilities shall be marked as required in 16 NYCRR Part 217. Also NYRI shall meet the requirements of 16 NYCRR Part 126 requiring no climbing rungs to be within the reach of the public. The EM&CP shall describe how the requirement for meeting this rule will be met.
23. The Company shall develop a plan for the addressing the impact of its construction and maintenance on local and State roads. The applicant will address traffic control, equipment and material deliveries during construction. It will be the obligation of the applicant to discuss the impact of the construction with the New York State Department of Transportation (DOT) and each town, municipality and county highway and police

department. Each plan shall discuss how it will keep all roads safe and clean from construction derris. Since some of the equipment will is oversized and/or over weight according to DOT regulation, the applicant will need to develop a plan in consultation with the DOT and local government to address the transportation of that equipment. The applicant is expected to meet all of DOT regulations for transport, including obtaining all local and state permits for transportation. The applicant will submit a detailed transportation program to the DOT and DPD staff. The document shall specify all bridges to be crossed (under and over), all culverts, times of transport, road bearing weight, height of overhead facilities and turning radius.

24. After the project is completed the applicant must work with the DOT and local highway departments to develop a traffic safety plan for the transportation of maintenance equipment and supplies for ROW work and line maintenance. The plan shall contain a highway safety plan discussing highway safety for the motoring public and pedestrians. The Company will be in complete compliance with all applicable regulations in NYCRR, DOT, United States Department of Transportation, and the Occupational Safety and Health Administration. The plan will be reviewed yearly and filed with the Commission, DOT and local governments.

