

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Joint Petition of Central Hudson Gas & Electric Corporation  
and New York Transco LLC for an Order Approving the  
Proposed Transfers Pursuant to Section 70 of the New York  
Public Service Law

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Case 24-E-\_\_\_\_\_

**JOINT PETITION OF CENTRAL HUDSON GAS & ELECTRIC  
CORPORATION AND NEW YORK TRANSCO LLC FOR AN ORDER  
APPROVING THE PROPOSED TRANSFERS PURSUANT TO SECTION 70 OF  
THE NEW YORK PUBLIC SERVICE LAW**

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Dated: October 28, 2024

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**I. INTRODUCTION**

Central Hudson Gas & Electric Corporation (CHG&E) and New York Transco LLC (individually, Transco, and together with CHG&E, the Joint Petitioners) jointly petition the New York State Public Service Commission (the NYPSC) under New York State Public Service Law (PSL) § 70 (1) (the Joint Petition) for an order authorizing CHG&E to: (1) grant Transco an easement interest over a 0.33-acre portion of the parcel upon which CHG&E's existing 115 kV Milan Substation (the Milan Substation) is located in the Town of Milan, Dutchess County (the Milan Easement), (2) grant Transco an easement interest over the parcel upon which transmission towers for CHG&E's existing Q 69 kV Line and X 115 kV Line are located in the Town of Pleasant Valley, Dutchess County (the Van Wagner Easement, together with the Milan Easement, the Easement Interests), and (3) transfer to Transco certain personal property (the Personal Property) located on and in the vicinity of the Milan Easement that is related to the construction and operation of Transco's New York Energy Solution transmission project (the NYES Project or the Project).<sup>1</sup>

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<sup>1</sup> The transfers of the Easement Interests and the Personal Property by CHG&E to Transco are collectively referred to herein as the Transfers.

The Joint Petition flows from the Board of Directors of the New York Independent System Operator, Inc.'s (the NYISO) previous selection of the NYES Project as the more cost-effective or efficient solution to satisfy "Segment B" of the NYPSC-declared public policy transmission need to reduce transmission constraints and increase system reliability in the Central East and UPNY/SENY regions of the State (the AC Transmission PPTN)<sup>2</sup> and the NYPSC's subsequent issuance of a Certificate of Environmental Compatibility and Public Need (CECPN) allowing Transco to construct, operate, and maintain the NYES Project.<sup>3</sup> As demonstrated in detail below, the Transfers are in the public interest because they will provide Transco with certain real and personal property interests that are necessary to construct and operate the NYES Project and will ultimately benefit CHG&E's customers. Accordingly, the Joint Petitioners respectfully request that the NYPSC approve the Transfers pursuant to PSL § 70 (1) and NYPSC precedent.

## II. COMMUNICATIONS

The following persons should be included on the official service list in this proceeding, and all communications concerning this filing should be addressed to them:

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<sup>2</sup> See Case 12-T-0502, *Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades*, Order Finding Transmission Needs Driven by Public Policy Requirements (issued Dec. 17, 2015), at 2; New York Independent System Operator, Inc., *NYISO Board of Directors' Decision on Approval of AC Transmission Public Policy Transmission Planning Report and Selection of Public Policy Transmission Projects*, Executive Summary (April 8, 2019), available at <https://www.nyiso.com/documents/20142/1390750/Board-Decision-AC-Transmission-2019-0408.pdf-/32323d32-f534-a790-1b03-2cb110033320> (last accessed Aug. 8, 2024).

<sup>3</sup> Case 19-T-0684, *Application of New York Transco LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the New York Public Service Law to Construct, Operate, and Maintain a New, Double-Circuit 54.5-Mile 345/115 Kilovolt Electric Transmission Line and Related Facilities Located in the Town of Schodack, Rensselaer County; the Towns of Stuyvesant, Stockport, Ghent, Claverack, Livingston, Gallatin, and Clermont in Columbia County; and the Towns of Milan, Clinton, and Pleasant Valley in Dutchess County*, Order Adopting Joint Proposal (issued Feb. 11, 2021) (the CECPN Order).

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### III. THE JOINT PETITIONERS<sup>4</sup>

#### A. CHG&E

CHG&E is a corporation created and organized under the laws of the State of New York, with its principal offices in Poughkeepsie, New York. CHG&E is an electric and natural gas utility engaged in the businesses of: (1) distributing and transmitting natural gas for residential, commercial, and industrial use; and (2) transmitting and distributing electric power to wholesale and retail customers and transmitting electric power on behalf of third parties. CHG&E has approximately 370,000 gas and electric customers.

#### B. Transco

Formed in 2014, Transco is a New York limited liability company comprised of affiliates of New York State's investor-owned utilities.<sup>5</sup> Transco's purpose is to plan, develop, and own new high-voltage electric transmission facilities that will enhance the current capabilities of the bulk

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<sup>4</sup> A copy of CHG&E's Certificate of Good Standing is attached to the Joint Petition as Exhibit A. In satisfaction of 16 NYCRR § 17.2, Transco's Articles of Organization are already on file with the NYPSC (see Case 20-E-0551, *Petition of New York Transco LLC for an Expedited Order Granting it a Certificate of Public Convenience and Necessity Pursuant to Section 68 of the Public Service Law and Confirmation of its Lightened Regulatory Status*, [filed November 5, 2020], at Exhibit 1 to Petition). Additionally, the relevant portion of Transco's current operating agreement, which governs the management of its internal affairs, states that Transco was established "for the purpose of planning, constructing, owning, operating, maintaining and expanding transmission facilities," and it is also on file with the NYPSC (*id.* at Exhibit 2).

<sup>5</sup> Transco's members are Consolidated Edison Transmission, LLC; Grid NY LLC; Avangrid Networks New York Transco, LLC; and Central Hudson Electric Transmission, LLC.

power system across New York State (the State) and to help the State meet its carbon emission requirements.

In 2016, Transco acquired the NYPSC-approved Transmission Owners Transmission Solutions (TOTS) projects from New York State Electric & Gas Corporation (NYSEG); Orange and Rockland Utilities, Inc.; and Consolidated Edison Company of New York, Inc. (CECONY).<sup>6</sup> The TOTS projects—Ramapo to Rock Tavern, Frasers to Coopers Corners, and Staten Island Unbottling—were energized in June 2016. Since that time, Transco has operated and maintained the TOTS projects under a NYPSC-approved lightened regulatory regime.<sup>7</sup> Rates for the TOTS projects are subject to the Federal Energy Regulatory Commission’s (FERC)<sup>8</sup> jurisdiction and collected from load serving entities by the NYISO pursuant to a rate schedule in the NYISO’s Open Access Transmission Tariff (OATT).<sup>9</sup> As a result, the TOTS projects are under the NYISO’s operational control and tariff administration and are only operated in the wholesale marketplace.

As described in further detail below, Transco constructed the NYES Project to satisfy Segment B of the AC Transmission PPTN. Like the TOTS projects, the NYES Project is under the

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<sup>6</sup> Case 16-E-0012 et al., *Joint Petition of New York State Electric & Gas Corporation and New York Transco LLC for Approval of a Transfer or Lease of Assets*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016); Case 16-E-0013 et al., *Joint Petition of Orange and Rockland Utilities, Inc., Consolidated Edison Company of New York, Inc., and New York Transco LLC for Approval of a Transfer or Lease of Assets*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016).

<sup>7</sup> See Case 15-E-0743, *Petition of New York Transco LLC for an Order providing for Lightened Regulation*, Order Providing for Lightened Rate making Regulation and Approving Financing (issued April 21, 2016), at 8 (establishing “a lightened regulatory regime, subject to conditions, applicable to Transco”).

<sup>8</sup> See FERC Docket No. ER15-572, *New York Transco LLC*, Application for Acceptance of Transmission Formula Rate and Approval of Transmission Rate Incentives and Cost Allocation Method (filed Dec. 4, 2014); FERC Docket No. ER15-572, *New York Transco LLC*, Letter Order Approving Applicants’ 11/5/15 Filing of an Offer of Partial Settlement (issued March 17, 2016).

<sup>9</sup> See New York Independent System Operator, Inc., 36 OATT Attachment DD, Rules to Allocate the Cost of NY Transco LLC Transmission Facilities and Formula Rates.

NYISO's operational control and tariff administration and is only operated in the wholesale marketplace.<sup>10</sup>

#### **IV. THE NYES PROJECT**

##### A. Summary of the Declaration of Need for and Selection of the NYES Project

In 2015, after considering proposals to increase transfer capability across two major electrical interfaces known as “Central East” and “UPNY/SENY,” the NYPSC determined that there was a transmission need “driven by Public Policy Requirements for new 345 kV major electric transmission facilities to cross the Central East and UPNY/SENY interfaces to provide additional transmission capacity to move power from upstate to downstate”—the AC Transmission PPTN.<sup>11</sup> In declaring the AC Transmission PPTN, the NYPSC divided the AC Transmission PPTN into two segments—Segment A (in the Central East interface) and Segment B (in the UPNY/SENY interface).<sup>12</sup>

In turn, and consistent with FERC Order 1000, the NYISO issued a solicitation for solutions to satisfy both segments of the AC Transmission PPTN. After nearly three years of comprehensive and extensive comparative evaluations, on April 8, 2019, the NYISO Board of Directors announced its selection of North American Transmission (now LS Power Grid New

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<sup>10</sup> In a related effort to satisfy Segment B of the AC Transmission PPTN, Transco also constructed the Rock Tavern to Sugarloaf Project (the RTS Project) (Case 20-T-0549, *Application of New York Transco LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII of the New York Public Service Law to Construct, Operate, and Maintain a New, Single-Circuit 12-mile Overhead 115 kV Electric Transmission Line and Related Facilities In the Towns of New Windsor, Hamptonburgh, Blooming Grove, and Chester in Orange County*, Order Granting Certificate of Environmental Compatibility and Public Need [issued Sept. 9, 2021]). Like the TOTS projects and NYES Project, the RTS Project is under the NYISO's operational control and tariff administration and is only operated in the wholesale marketplace.

<sup>11</sup> Case 12-T-0502, *Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades*, Order Finding Transmission Needs Driven by Public Policy Requirements (issued Dec. 17, 2015), at 2 (the PPTN Order).

<sup>12</sup> See generally *id.* at 45-46, 61 and Appendix A.

York, LLC and LS Power Grid New York Corporation, I, together LS Power) and the New York Power Authority's (NYPA) double-circuit project (T027) project to satisfy the Segment A portion of the AC Transmission PPTN and Transco's and National Grid's NYES Project (T019) to satisfy the Segment B portion of the AC Transmission PPTN. Since then, LS Power/NYPA and Transco each secured a CECPN to construct, operate, and maintain their respective AC Transmission PPTN project from the NYPSC,<sup>13</sup> and both projects have completed construction<sup>14</sup> and are operational.

#### B. NYES Project Description

The NYES Project consists of the following primary components:

- 1) Installation of a new, 54.5-mile 345 kV electric transmission line that is co-located with new 115 kV electric transmission lines that replaces the existing 115 kV transmission lines between the new 345 kV Knickerbocker Switching Station owned by Transco and located in the Town of Schodack, Rensselaer County, the rebuilt Churchtown Switching Station owned by Transco and located in the Town of Claverack, Columbia County, and the existing 345 kV Pleasant Valley Substation owned by CECONY (the 345 kV Station) and the existing 115 kV Pleasant Valley Substation (the 115 kV Station) owned by CHG&E, both of which are located in the Town of Pleasant Valley, Dutchess County.

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<sup>13</sup> Case 19-T-0549, *Application of LS Power Grid New York, LLC, LS Power Grid New York Corporation I, and the New York Power Authority for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII for Edic/Marcy to New Scotland; Princetown to Rotterdam Project*, Order Adopting Joint Proposal (issued Jan. 21, 2021); Case 19-T-0684, *supra*, Order Adopting Joint Proposal (issued Feb. 11, 2021).

<sup>14</sup> As relevant here, the NYPSC approved both phases of Transco's Environmental Management and Construction Plans (each, an EM&CP) for the NYES Project (*see* Case 19-T-0684, *supra*, Order Approving Environmental Management and Construction Plan [issued Apr. 16, 2021] [approving Transco's revised Phase II Section I EM&CP]; Case 19-T-0684, *supra*, Order Approving Environmental Management and Construction Plan Phase II Section 2 [issued Aug. 12, 2021] [approving Transco's revised Phase II Section 2 EM&CP]).

- 2) Replacement of 2.2-miles of 115 kV electric transmission line in an existing National Grid right-of-way that extends from the 115 kV Blue Stores Substation to a tap with the existing National Grid #8 115 kV Lafarge to Pleasant Valley line.
- 3) The reconductoring of two 345 kV electric transmission lines on existing structures between the existing 345 kV Station and the new 345 kV Van Wagner Capacitor Bank Station owned by Transco (the Van Wagner Station) and located in the Town of Pleasant Valley, Dutchess County.

As relevant here and as explained in the Project Description appended to the NYPSC-approved Joint Proposal, the NYES Project also includes interconnecting the reconducted 115 kV transmission lines into the Milan Substation.<sup>15</sup> The interconnection with the Milan Substation includes removing four wood pole structures and four spans of conductor and replacing with a single steel monopole structure and four spans of new conductor.<sup>16</sup>

As the NYPSC required, the NYES Project was constructed within existing utility rights-of-way (ROW) or on utility-owned or controlled land and involves existing utility-owned personal property.<sup>17</sup> As a result, as part of constructing the NYES Project, the relevant transmission owners

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<sup>15</sup> See Case 19-T-0684, *supra*, Joint Proposal\_Appendix A (Project Description) (filed Sept. 9, 2020), at 10 (describing the Milan Tap work as “[r]eplac[ing] 2 existing structures with 1 new structure and replac[ing] associated existing conductor for 2 spans for each of 2 circuits (approximately 500 feet), terminating at the 115 kV Central Hudson Milan Substation.”).

<sup>16</sup> *Id.*

<sup>17</sup> See Case 12-T-0502, *supra*, Order Finding Transmission Needs Driven by Public Policy Requirements, (issued Dec. 17, 2015), Appendix B, at 1 (directing the NYISO to select proposed transmission solutions that do not require the acquisition of new permanent transmission ROW, with exception for the transfer or lease of existing transmission ROW property or access rights from a current utility company owner to a developer of the transmission solution).

have secured and are securing the NYPSC’s permission to transfer—in full or part—certain real and personal property interests to Transco.<sup>18</sup>

## **V. THE TRANSFERS**

Pursuant to an Asset Purchase Agreement (the APA) between CHG&E and Transco, attached as Exhibit B, CHG&E proposes to transfer to Transco, and Transco agrees to purchase from CHG&E, the Easement Interests and the Personal Property.

### **A. The Real Property**

At the transaction’s closing, CHG&E will grant to Transco certain Easement Interests: (a) covering portions of the real property owned by CHG&E upon which the Milan Easement will be located (the Milan Real Property) as required for Transco to construct, reconstruct, alter, upgrade, operate, maintain, repair, improve, enhance, inspect, remove, and replace the Personal Property, pursuant to the easement agreement annexed to the APA as Exhibit B; and (b) covering portions of the real property owned by CHG&E upon which the Van Wagner Easement will be located (the Van Wagner Real Property and together with the Milan Real Property, the Real Property) as required for Transco to run Transco’s new double-circuit 345 kV line (Line Y58 and Line Y59) over the Van Wagner Real Property where CHG&E’s existing transmission towers for its Q 69 kV Line and X 115 kV Line are located pursuant to the easement agreement annexed to the APA as Exhibit A.

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<sup>18</sup> See Case 19-T-0684, *supra*, Exhibit 8, Other Pending Filings (filed Oct. 18, 2019), at 8-5 (noting the anticipated filing of a PSL § 70 petition[s] with the NYPSC because of the NYES Project’s utilization of existing utility ROW and adjacent utility-owned land to minimize impacts on existing residences, community facilities, and ecologically sensitive areas); see also Case 12-T-0205, *supra*, Order Finding Transmission Needs Driven by Public Policy Requirements (issued Dec. 17, 2015), at 60 (“[T]he Commission expects the utility company owner to bargain in good faith to reach an agreement with the developer of the transmission solution as to property access and compensation as it would for other linear project developers that seek to co-locate on utility property.”).

The Easement Interests to be transferred to Transco have been valued at fair market value utilizing a “sales comparison” methodology. To that end, Transco and CHG&E each retained a qualified independent appraiser with experience valuing such property rights: CHG&E engaged Appraisal Economics, Inc., and Transco engaged Ackerly and Hubbell Appraisal Corp. Each appraiser completed their respective appraisal reports, all of which are attached as Exhibit C. Transco and CHG&E have agreed on a purchase price of \$15,200.00 for the Easement Interests.

**B. The Personal Property**

The Personal Property includes four wood pole structures, the T7 Line conductor running to a terminal structure outside the Milan Substation, the 10 Line conductor running to a terminal structure outside the Milan Substation, and insulators and other ancillary equipment thereto owned by CHG&E. As described in the APA, the Personal Property will be acquired simultaneously with the closing of the Easement Interests, and the Personal Property will not be transferred to Transco until it is de-energized by CHG&E.

As of the date of this filing, the current working estimate of the Personal Property based on the undepreciated capital cost of such assets, as maintained in CHG&E’s accounting records, is approximately \$32,847.23. However, the Joint Petition seeks approval of the transfer based on the costs of such assets at the time of transfer, which may be lower than the current estimated cost based on additional depreciation taken by CHG&E.

**VI. APPROVING THE TRANSFERS IS IN THE PUBLIC INTEREST AND APPROPRIATE UNDER PSL § 70 AND NYSPSC PRECEDENT**

**A. Standard of Review**

Pursuant to PSL § 70 (1), “[no] electric corporation shall transfer or lease its franchise, works or system or any part of such franchise, works or system to any other person or corporation

. . . , without the written consent of the commission.”<sup>19</sup> Before issuing its consent, the NYPSC must determine whether “the proposed transactions and accounting treatment associated with the transfers . . . are in the public interest.”<sup>20</sup> The NYPSC has held that the potential for harm to customer interests and any benefits inuring to them as a result of the transaction are relevant to this inquiry<sup>21</sup> as well as showing that the transfer will not adversely affect the utility’s operations or its ability to serve its customers after the transfer.<sup>22</sup>

As detailed below, the Transfers are in the public interest and should be approved under PSL § 70 and the NYPSC’s related precedent.

#### B. The Transfer of the Easement Interests is in the Public Interest

When reviewing a real property transfer proposed by an investor-owned utility, such as CHG&E, under PSL § 70’s public interest standard, the NYPSC typically looks to the utility’s “practices and procedures in marketing the property[] and the underlying economics of the proposed transfer” before examining the “effect of the transaction on the [utility’s] customers” including, for example, “whether the utility needs the property to provide utility service and discharge its public service responsibilities.”<sup>23</sup> Because the NYPSC’s interest in a PSL § 70 proceeding is to maximize customer value, if a sale of real property “is proposed that is not the

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<sup>19</sup> PSL § 70 (1).

<sup>20</sup> Case 16-M-0692, *Petition of New York State Electric & Gas Corporation for Approval to Lease Space within Several Different New York State Electric & Gas Corporation Facilities*, Order Approving Leases of Certain Real Property (issued June 19, 2017), at 4.

<sup>21</sup> See Case 13-E-0166, *Petition of New York State Electric and Gas Corporation for Approval of a Transfer or Lease of Property Located in Arcadia, New York*, Order Approving the Lease of Property, (issued Aug. 20, 2013), at 4.

<sup>22</sup> See Case 17-M-0755, *Joint Petition of Consolidated Edison Company of New York, Inc. and 500 Kent LLC for Approval of a Transfer of Property Located at 492-518 Kent Avenue, City of New York, Kings County*, Order Approving Transfer of Property (issued Sep. 14, 2018), at 6.

<sup>23</sup> Case 16-M-0018, *Petition of New York State Electric & Gas Corporation for Approval to Lease Space within its Facility*, Order Approving Lease of Certain Real Property (issued May 19, 2016), at 6-7.

result of a competitive auction or solicitation, there is a rebuttable presumption that the sale is not being made at the most favorable price and is, therefore, not in the public interest.”<sup>24</sup> Importantly, however, the NYPSC has determined that there are instances where the “public interest would not be served by requiring [a utility] to market the property,” such as instances where the proposed value to be received is shown to be reasonable.<sup>25</sup>

Here, CHG&E did not put the Easement Interests out for competitive auction or solicitation for sale. However, such action would not have been practicable or in the public interest here because: (1) the towers and conductor in the vicinity of the Milan Real Property interconnect to an existing, active utility switching station, electric transmission facilities, and related equipment and, as a result, CHG&E was not actively seeking to transfer a fee interest in the Milan Real Property; and (2) the Van Wagner Real Property houses existing electric transmission facilities and related equipment and, as a result, CHG&E was not actively seeking to transfer a fee interest in the Van Wagner Real Property. Instead, consistent with the NYPSC’s prior direction,<sup>26</sup> CHG&E will transfer the Easement Interests to Transco as the selected developer of Segment B, to the extent needed to satisfy the AC Transmission PPTN.

In any event, no such solicitation or auction effort is required to verify that the price associated with the Easement Interests transfer is reasonable. As outlined above, CHG&E and

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<sup>24</sup> *Id.* at 7.

<sup>25</sup> *Id.*; see also Case 16-M-0624, *Petition of New York State Electric & Gas Corporation for Approval of the Lease of Property to Allied Dog Training, LLC*, Order Approving Lease of Certain Real Property, (issued Feb. 23, 2017), at 6; Case 16-E-0012 et al., *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016), at 21.

<sup>26</sup> See Case 12-T-0502, *supra*, Order Finding Transmission Needs Driven by Public Policy Requirements, (issued Dec. 17, 2015), at Appendix B, at 1 (directing the NYISO to select proposed transmission solutions that do not require the acquisition of new permanent transmission ROW, with exception for the transfer or lease of existing transmission ROW property or access rights from a current utility company owner to a developer of the transmission solution).

Transco each retained independent, highly qualified appraisers who valued the Easement Interests. In turn, CHG&E and Transco negotiated an appropriate and reasonable purchase price for the Easement Interests. The NYPSC has previously held on multiple occasions that this type of reliance on independent appraisals is an appropriate way to show that the proposed value to be received by a utility from a third party for utility property is reasonable.<sup>27</sup> The NYPSC has further held that the use of appraisals alone is especially relevant where the subject property is unique and highly specialized (*i.e.*, utility property containing active electric facilities) and there is no ascertainable market for the property because of a very limited class of purchasers, as is the case here because Transco was selected as the sole developer to construct the NYES Project as outlined in the Application.<sup>28</sup> As a result, upon review of the underlying appraisals and the purchase price,

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<sup>27</sup> See Case 02-M-0741, *Petition of Consolidated Edison Company of New York, Inc. for Approval of the Transfer of approximately 21.3 acres of land located in its Astoria Complex, Borough of Queens, New York City, to Luyster Creek LLC*, Order Approving Transfer Subject to Conditions (issued Nov. 25, 2002), at 6 (“While we have often noted that an auction provides the best indicator of market value, we have nevertheless approved a number of transactions based on direct negotiations between utilities and third parties. In this case, Con Edison based the sale price primarily on two appraisal reports it commissioned.”); see also Case 16-E-0012 et al., *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued Apr. 21, 2016), at 21 (approving a long-term, 99-year lease transaction of utility corridor on the basis of two separate appraisals and arms-length negotiation of purchase price); Case 08-M-0930, *Joint Petition of Consolidated Edison Company of New York, Inc. and Village Academies Network Inc. for Authority Under Section 70 of the PSL to Transfer Certain Real Property Located at 32-42 West 125th Street and 35-39 West 124th Street, New York, New York*, Order Approving Property Transfer (issued Oct. 28, 2008), at 15-16 (approving a transfer of unimproved real property on the basis of two appraisals alone in the absence of a competitive auction); Case 21-M-0166, *Petition of New York State Electric & Gas Corporation and NextEra Energy Transmission New York, Inc. for Authorization to Sell, Assign, Transfer and Convey Property Pursuant to Section 70 of the Public Service Law with an Original Cost of Over \$100,000*, One Commissioner Order Authorizing Proposed Easements (issued June 21, 2021), at 9-10 (approving easement transfers where petitioners retained a qualified independent appraiser with experience valuing corridor property rights).

<sup>28</sup> See Case 07-M-0704, *Joint Petition of Niagara Mohawk Power Corporation and the County of Oswego for Approval to Transfer the Oswego Fire School Facility*, Order Approving Property Transfer (issued Nov. 8, 2007), at 12 (“[T]he Department of Public Service Staff advises us that the Company’s assumptions relating to the value of the Property appear reasonable. The Property and the buildings that make up the Fire School are unique and highly specialized, with a very limited potential class of purchasers, specifically, entities interested in operating a state-of-the-art, advanced fire training school . . . the appraisals of the Property appear realistic and reasonable and the Company’s assertions relating

the NYPSC should find that the real property component of the transfer (*i.e.*, the Easement Interests) is the most reasonable price for customer benefit.

Further, the transfer of the Easement Interests will not have any negative effect on CHG&E's customers because the NYES Project will be used to provide wholesale transmission services for the benefit of those customers and because CHG&E will continue to own and have access to the Real Property to continue to provide proper utility service and discharge its public service responsibilities. Moreover, the proposed real property component of the Transfers will benefit CHG&E's customers, who will receive the benefit of the proceeds of the Easement Interests.<sup>29</sup>

Because the transfer of the Easement Interests is necessary for the construction, operation, and maintenance of the NYES Project—an electric transmission project that the NYPSC has already declared to be necessary and in the public interest—such transfer is in the public interest. As discussed above, the NYPSC has determined in at least three separate orders that construction of a solution to persistent congestion along the UPNY/SENY transmission interfaces (*i.e.*, Segment B) will serve a public need, and thus is in the public interest, because such a project will, among other things, “reduce transmission congestion so that large amounts of power can be transmitted to regions of New York where it is most needed; [ ] reduce production costs through congestion relief; reduce capacity resource costs; [ ] improve market competition and liquidity; [and] [ ]

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to the marketable prospects of the Property seem credible”) (emphasis added); *see also* Case 21-M-0166, *supra*, One Commissioner Order Authorizing Proposed Easements (issued June 21, 2021), at 9 (“While the Commission generally prefers a competitive marketing process and more than one appraisal when considering a property transaction, in this unique and specialized circumstance, I find the transaction is reasonable given the specific nature of the property. . . . [Petitioner] was selected to develop the . . . Project in a competitive process which brought about this transaction, and a separate competitive auction or sale process would not have been practicable.”).

<sup>29</sup> *See* Point VII, *infra*.

enhance system reliability, flexibility, and efficiency.”<sup>30</sup> Additionally, the NYPSC recognized the importance of increasing transmission transfer capabilities along the UPNY/SENY interfaces to integrate existing and new renewable electric generation facilities: “The Commission agrees that persistent congestion on the Central East and UPNY/SENY interfaces continues to contribute to higher energy costs for downstate customers and to limit the accessibility of renewable resources located upstate.” For these reasons, the transfer of the Easement Interests —like Segment B—is in the public interest.

In sum, the transfer of the Easement Interests, which involves unique and highly-specialized property, is in the public interest because the purchase price based on third-party appraisals is reasonable and the product of an arm’s-length transaction, CHG&E is retaining all rights necessary in the Real Property to continue to provide uninterrupted and reliable service to its customers, CHG&E’s customers will continue to receive transmission services over the facilities to be constructed on the property in question and will benefit from the Transfers, and the NYPSC has previously determined that the broader NYES Project is necessary and in the public interest. Thus, the NYPSC should approve the transfer of the Easement Interests transfer under PSL § 70 and its related precedent.

### C. The Personal Property Transfer is in the Public Interest

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<sup>30</sup> Case 12-T-0502, *supra*, Order Finding Transmission Needs Driven by Public Policy Requirements (issued Dec. 17, 2015), at 66; *see also* Case 12-T-0502, *supra*, Order Addressing Public Policy Transmission Need for AC Transmission Upgrades (issued Jan. 24, 2017), at 18; *see also* CECPN Order at 3-4 (“[T]he record in this case also fully supports a finding of public need. We determine that the facility is necessary to increase transmission capacity across the UPNY/SENY interface, and that need is expected to continue as New York works toward the requirements of the Climate Leadership and Community Protection Act (CLCPA) and the Accelerated Renewable Act. . . . [B]y moving power efficiently and cost effectively across the UPNY/SENY interface, the [NYES] Project will advance numerous public policies, including reducing congestion and production costs, improving market competition and liquidity, enhancing efficiency, reliability, and resiliency, and avoiding refurbishment costs of aging infrastructure.”).

When assessing whether the transfer of an investor-owned utility's electric plant or personal property is in the public interest, the NYPSC typically considers whether the purchase price is reasonable,<sup>31</sup> the accounting methodology associated with the transfer,<sup>32</sup> and certain other factors, including the potential for horizontal and vertical market power.<sup>33</sup>

Here, the APA establishes that the purchase price of the Personal Property is the undepreciated capital cost of the Personal Property, or net book value, which will continue to fluctuate until the time of closing. The NYPSC has previously found a purchase price based on the net book value of the investor-owned utility's personal property to be in the public interest.<sup>34</sup> Moreover, the accounting treatment CHG&E will employ to account for the sale of the Personal Property is also consistent with NYPSC precedent and in the public interest.<sup>35</sup>

Also, there are no concerns that Transco's purchase of the Personal Property, as a lightly-regulated electric corporation, will result in or create any potential for the exercise of market power or harm to the interests of captive utility customers because the NYES Project is operating in a competitive, wholesale market under the NYISO's operational control and tariff administration pursuant to the FERC-approved OATT.<sup>36</sup> Accordingly, because Transco does not serve any retail

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<sup>31</sup> See Case 19-E-0302, *Petition of New York State Electric & Gas Corporation for Approval of a Transfer or Lease of Property with an Original Cost of Over \$100,000*, Order Authorizing Transfer Subject to Conditions (issued Dec. 12, 2019), at 5 (granting NYSEG's request to sell an ownership interest in poles because the company received a purchase price based on the book cost less accrued depreciation, which was in the public interest).

<sup>32</sup> See *id.*

<sup>33</sup> See Case 16-E-0012, *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016), at 23 (assessing whether the transfer of electric transmission facilities could result in vertical or horizontal market power).

<sup>34</sup> See Case 16-E-0012, *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016), at 19.

<sup>35</sup> See Point VII, *infra*.

<sup>36</sup> See FERC Docket No. ER15-572, *New York Transco LLC*, Application for Acceptance of Transmission

customers and the NYES Project will not be under Transco's operational control, there is no potential for the exercise of market power or harm to captive customer interests.

Finally, as outlined above, the Personal Property transfer is necessary to allow for the construction, operation, and maintenance of the NYES Project—an electric transmission Project that the NYPSC has previously declared to be necessary and in the public interest.<sup>37</sup>

For all of these reasons, the Personal Property transfer is in the public interest, and the NYPSC should approve the Personal Property transfer under PSL § 70 and its related precedent.

## **VII. PROPOSED RATEMAKING AND ACCOUNTING TREATMENT**

When the Personal Property assets are sold, CHG&E will transfer the Personal Property assets at net book value. The Easement Interests, to be sold with the Personal Property, will be sold based on the fair market value of the Easement Interests. As noted above, the fair market value of the Easement Interests was derived after negotiations between the parties on the basis of two separate appraisals. Further, any gain on the sale will be deferred for future customer benefit. Exhibit D contains the journal entries illustrating how CHG&E proposes to account for this transaction.

## **VIII. ADDITIONAL INFORMATION**

In accordance with Parts 18 and 31 of the Department's rules and regulations, the Joint Petitioners provide the following information:

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Formula Rate and Approval of Transmission Rate Incentives and Cost Allocation Method (filed Dec. 4, 2014); FERC Docket No. ER15-572, *New York Transco LLC*, Letter Order Approving Applicants' 11/5/15 Filing of an Offer of Partial Settlement (issued March 17, 2016).

<sup>37</sup> Case 12-T-0502, *supra*, Order Finding Transmission Needs Driven by Public Policy Requirements (issued Dec. 17, 2015), at 66; *see also* Case 12-T-0502, *supra*, Order Addressing Public Policy Transmission Need for AC Transmission Upgrades (issued Jan. 24, 2017), at 18; CECPN Order, at 3-4.

- A. 16 NYCRR § 31.1 (a). Provide the information required in 16 NYCRR §§ 18.1 (f)-(i)<sup>38</sup> and (p) applicable to the property to be transferred:
1. 16 NYCRR § 18.1 (f). There is no indebtedness applicable solely to the Easement Interests or Personal Property.
  2. 16 NYCRR § 18.1 (g). There is no indebtedness applicable solely to the Easement Interests or Personal Property.
  3. 16 NYCRR § 18.1 (h). There is no indebtedness applicable solely to the Easement Interests or Personal Property.
  4. 16 NYCRR § 18.1 (i). There are no affiliated interests connected to the Easement Interests or Personal Property.
  5. 16 NYCRR § 18.1 (p). Detailed income statement and balance sheets for the latest fiscal year as well as the latest available income statement and balance sheets for 12 months for each of the Joint Petitioners are attached to the Joint Petition as Exhibit F.
- B. 16 NYCRR § 31.1(b). A general description of the property to be transferred is contained in the body of the Joint Petition and also appears in the APA.<sup>39</sup>
- C. 16 NYCRR § 31.1 (c). Not applicable since there are no franchises, consents, or rights to be transferred or leased.
- D. 16 NYCRR § 31.1 (d). Not applicable since approval of local municipalities is not required prior to the transfer.
- E. 16 NYCRR § 31.1 (e). A copy of the APA is attached to the Joint Petition as Exhibit B. Exhibits B and C to the APA are, respectively, the Milan Easement and the Van Wagner Easement.
- F. 16 NYCRR §§ 31.1 (f)-(k).
1. An inventory of the property proposed to be transferred with the original cost of such property, original cost being the cost to the person first devoting the property to public service, is attached to the Joint Exhibit as Exhibit G.
  2. The inventory is classified according to the requirements of the system of accounts applicable to CHG&E.

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<sup>38</sup> Please see CHG&E's Financial Condition statement pertaining to 16 NYCRR §§ 18.1 (f)-(i) attached to the Joint Petition as Exhibit E.

<sup>39</sup> See Exhibit B.

3. Further, the inventory includes (i) an estimate of accrued depreciation, (ii) a statement of the method/methods used to arrive at the estimate, (iii) the cost of the property as shown upon CHG&E's balance sheet, (iv) the depreciation and amortization reserves applicable to the property, and (v) a statement of contributions toward construction of the property.

G. 16 NYCRR § 31.1 (l). A statement of operating revenues, expenses, and taxes for the three calendar years preceding the date of this Joint Petition and relating to the property to be transferred is attached to the Joint Petition as Exhibit H. CHG&E and Transco's income and balance sheets are provided in Exhibit F.

## **IX. ENVIRONMENTAL REVIEW**

Under the State Environmental Quality Review Act (SEQRA), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617 and 16 NYCRR Part 7), the NYPSC must determine whether its action in this proceeding may have a significant impact on the environment.<sup>40</sup> The Transfers do not meet the definition of either Type I or Type II actions<sup>41</sup> and, therefore, are appropriately classified collectively as an "unlisted" action.<sup>42</sup> Accordingly, the NYPSC, as lead agency, should conduct an environmental assessment and determine the significance of the action proposed.<sup>43</sup>

To facilitate the NYPSC's assessment, and in satisfaction of 6 NYCRR § 617.6 (a) (3), the Joint Petitioners have completed a Short Environmental Assessment Form (SEAF) disclosing the Transfers' potential environmental impact, if any.<sup>44</sup> As outlined in the SEAF, the Transfers will not involve any immediate change to the operation of the Real Property or the type of Personal

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<sup>40</sup> See 6 NYCRR § 617.3; *see also* 16 NYCRR Part 7.

<sup>41</sup> See 6 NYCRR §§ 7.2, 617.4, and 617.5.

<sup>42</sup> See Case 16-E-0012 et al., *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016), at 4-6.

<sup>43</sup> Since no additional State or local permits or approvals are required to perform an environmental quality review, a coordinated review under SEQRA is not needed (*see id.*).

<sup>44</sup> The Joint Petitioners' SEAF is attached as Exhibit I to the Joint Petition.

Property.<sup>45</sup> As a result, there will be no potentially significant adverse environmental impacts based on the criteria for determining significance listed in 6 NYCRR § 617.7 (c). Thus, consistent with NYPSC precedent under analogous facts, the NYPSC should adopt a negative declaration pursuant to SEQRA.<sup>46</sup>

## **X. NEW YORK STATE ADMINISTRATIVE PROCEDURE ACT**

Pursuant to Section 202 of the State Administrative Procedure Act (SAPA), the NYPSC's determination of the Transfers is a rulemaking activity requiring that notice be published in the New York *State Register* allowing 60 days for public comment.<sup>47</sup> To that end, a draft form of notification suitable for publication in the New York *State Register* pursuant to SAPA is appended hereto as Exhibit J, as required by 16 NYCRR §3.5 (i).

## **XI. CONCLUSION**

For the foregoing reasons, the Joint Petitioners respectfully request that the NYPSC issue an order approving the Transfers as being in the public interest pursuant to PSL § 70 and NYPSC precedent.

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<sup>45</sup> The NYPSC considered the environmental impacts associated with the construction and operation of the NYES Project in Transco's prior Article VII proceeding and concluded that the governing settlement terms and conditions "adequately protect public health and safety and are otherwise in the public interest, as they minimize the Project's potential adverse impacts to the maximum extent practicable" (CECPN Order at 63).

<sup>46</sup> See Case 16-E-0012 et al., *supra*, Order Authorizing Transfers Subject to Conditions and Modifications (issued April 21, 2016), at 4-6.

<sup>47</sup> See SAPA § 202 (1) (a).

CENTRAL HUDSON GAS & ELECTRIC  
CORPORATION

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*Attorneys for New York Transco LLC*

Dated: October 28, 2024  
Albany, New York

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Joint Petition of Central Hudson Gas & Electric Corporation  
and New York Transco LLC for an Order Approving the  
Proposed Transfers Pursuant to Section 70 of the New York  
Public Service Law

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Case 24-E-\_\_\_\_\_

**VERIFICATION**

STATE OF NEW YORK            )  
  ) ss:  
COUNTY OF DUTCHESS        )

Ryan Hawthorne, being duly sworn, deposes and states as follows:

1. I am the Vice President of Electric Engineering and Operations of Central Hudson Gas & Electric Corporation, which is one of the Joint Petitioners in this proceeding.
2. I am authorized to sign this verification on behalf of Central Hudson Gas & Electric Corporation.
3. I have reviewed the foregoing Joint Petition, and the statements of fact contained therein pertaining to Central Hudson Gas & Electric Corporation and the transactions addressed in the Joint Petition are true and correct to the best of my knowledge, information, and belief.



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Sworn to and subscribed before me  
this 29<sup>th</sup> day of October 2024.

Sarah R. Greco  
Notary Public

Sarah R. Greco  
Notary Public, State of New York  
Reg. No. 01GR0020297  
Qualified in Ulster County  
Commission Expires January 24, 2030

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Joint Petition of Central Hudson Gas & Electric Corporation  
and New York Transco LLC for an Order Approving the  
Proposed Transfers Pursuant to Section 70 of the New York  
Public Service Law

---

Case 24-E-\_\_\_\_\_

**VERIFICATION**

STATE OF NEW YORK                    )  
  ) ss:  
COUNTY OF Albany                )

Victor Mullin, being duly sworn, deposes and states as follows:

1. I am the President of New York Transco LLC, which is one of the Joint Petitioners in this proceeding.
2. I am authorized to sign this verification on behalf of New York Transco LLC.
3. I have reviewed the foregoing Joint Petition, and the statements of fact contained therein pertaining to New York Transco LLC and the transactions addressed in the Joint Petition are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Victor Mullin

Sworn to and subscribed before me  
this 28 day of October 2024.

  
Notary Public

ANNE LYNN ZUBRICK  
Notary Public, State of New York  
Qualified in Rensselaer County  
Reg # 01ZU6395188  
Commission Expires July 22, 2027

**Central Hudson Gas & Electric Corporation and New York Transco LLC**

**Section 70 Petition**

**LIST OF EXHIBITS**

Exhibit A – Corporate Documentation of Central Hudson Gas & Electric Corporation

Exhibit B – Asset Purchase Agreement

Exhibit C – The Appraisals

Exhibit D – Accounting Entries for the Transfers

Exhibit E – Central Hudson Gas & Electric Corporation Financial Condition

Exhibit F – Income and Balance Sheet for the Joint Petitioners

Exhibit G – Inventory of the Property to be Transferred

Exhibit H – Statement of Revenue, Expenses, and Taxes for the Property

Exhibit I – Short Environmental Assessment Form

Exhibit J – State Administrative Procedure Act Notice

# **Exhibit A**

STATE OF NEW YORK

DEPARTMENT OF STATE

Certificate of Status

I, WALTER T. MOSLEY, Secretary of State of the State of New York and custodian of the records required by law to be filed in my office, do hereby certify that upon a diligent examination of the records of the Department of State, as of the date and time of this certificate, the following entity information is reflected:

**Entity Name:** CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
**DOS ID Number:** 28292  
**Entity Type:** DOMESTIC BUSINESS CORPORATION  
**Entity Status:** EXISTING  
**Date of Initial Filing with DOS:** 12/31/1926

**Statement Status:** CURRENT  
**Statement Due Date:** 12/31/2024

No information is available from this office regarding the financial condition, business activity or practices of this entity.



WITNESS my hand and official seal of the Department of State,  
at the City of Albany, on July 23, 2024 at 11:53 A.M.

WALTER T. MOSLEY  
Secretary of State

BRENDAN C. HUGHES  
Executive Deputy Secretary of State

Authentication Number: 100006121241 To Verify the authenticity of this document you may access the  
Division of Corporation's Document Authentication Website at <http://ecorp.dos.ny.gov>

**Ezj kdkD**

ASSET PURCHASE AGREEMENT

by and between

CENTRAL HUDSON GAS & ELECTRIC CORPORATION,

as Seller

and

NEW YORK TRANSCO LLC,

as Buyer.

Dated as of December 6, 2023

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (“Agreement”), dated as of December 6, 2023, is entered into by and between CENTRAL HUDSON GAS & ELECTRIC CORPORATION, a New York corporation (“Seller”), and New York Transco LLC, a New York limited liability company (“Buyer”). Buyer and Seller each may be referred to herein as a “Party” or together as the “Parties.”

### RECITALS:

**WHEREAS**, Seller owns and operates electric transmission facilities in the State of New York; and

**WHEREAS**, Buyer was formed by Affiliates of the investor-owned transmission owners in the State of New York, including Seller’s Affiliate, for the purpose of developing, constructing, owning, operating and maintaining transmission facilities that upgrade and/or enhance, and are incremental to, certain transmission facilities owned and/or operated by such transmission owners; and

**WHEREAS**, Buyer proposes to construct, operate and maintain that certain transmission line project from Knickerbocker to Pleasant Valley in the Town of Schodack in Rensselaer County; the Towns of Stuyvesant, Stockport, Ghent, Claverack, Livingston, Gallatin, and Clermont in Columbia County; and the Towns of Milan, Clinton, and Pleasant Valley in Dutchess County as more particularly described in Exhibit A to the certain Service Agreement No. 2510 - Development Agreement by and among NYISO, Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), and Buyer dated January 10, 2020 (the “NYES Project”); and

**WHEREAS**, the NYES Project was approved by the NYPSC pursuant to that certain Article VII Application (No.: 19-T-0684) filed with the NYPSC; and

**WHEREAS**, to facilitate the construction of the NYES Project, Seller and Buyer have agreed to the purchase and sale of the Purchased Assets (defined below), on the terms and subject to the conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals and subject to the representations, covenants and conditions contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.01 Definitions. The following capitalized terms have the meanings specified below.

“AAA” means the American Arbitration Association.

“Affiliate” means, with respect to a Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” means the possession, directly or indirectly, of the power to direct the management or policies of a Person. For the avoidance of doubt, Buyer and Seller shall not be deemed Affiliates of each other.

“Applicable Regulatory Authority” means the NYSDEC, NYPSIC or FERC.

“Applicable Variance” means the percentage of variance given to the Updated Undepreciated Assets Cost Estimate Amount as reasonably determined by Seller and reflected in the Updated Undepreciated Assets Cost Statement; provided, however, that if all of the Authorized Buyer Representatives disagree with such determination, then the Applicable Variance shall be the amount unanimously determined by the Authorized Buyer Representatives.

“Assumed Liabilities” shall mean the Assumed Undepreciated Assets Liabilities and the Assumed Seller Land Rights Liabilities.

“Authorized Buyer Representatives” means the Board of Managers of Buyer, excluding the Manager Affiliated with Seller.

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required to be closed.

“Buyer’s Expert” shall be Ackerly & Hubbell Appraisal Corp.

“Closing Assumed Liability Amount” means, with respect to any Closing and without duplication, the sum of (a) the aggregate principal of any Indebtedness (including, with respect to any Purchased Asset to be Transferred at such Closing, the deferred purchase price amount of any Indebtedness) related to such Purchased Asset constituting an Assumed Liability to be assumed by Buyer at such Closing, including, for the avoidance of doubt, any accrued or unpaid interest or penalty, plus (b) any unpaid amounts accrued, due or incurred by Seller for any period on or prior to such Closing Date under any Assumed Contract (other than those Assumed Contracts constituting Indebtedness that are reflected in clause (a) of this definition), less (c) any deposits or similar payments paid or made by Seller on account of any Assumed Contract for any asset to be purchased, leased or otherwise acquired by Buyer under such Assumed Contract to the extent such asset would have otherwise been a Purchased Asset or is a Purchased Asset under this Agreement (to the extent not otherwise reflected in the undepreciated capital cost for any Purchased Asset at the time of the applicable Closing and only to the extent such deposits are not otherwise returned or refunded to Seller), in each case, as of such Closing.

“Closing Statement” means the Land Rights Closing Statement and the Undepreciated Assets Closing Statement.

“Confidential Information” means any and all information prepared or delivered to Buyer by Seller or its Representatives in connection with the transactions contemplated hereby, including information that (a) is marked or designated as “confidential” or “proprietary,” (b) is disclosed orally or visually (provided that such information is identified as proprietary or confidential at the time of such disclosure), (c) is known to Buyer, or should be known to a reasonable Person given

the facts and circumstances of the disclosure, to be confidential or proprietary to Seller, or (d) has come into Buyer's possession pursuant to this Agreement or any other agreement to which Buyer is a party; except, in each case, to the extent that such information can be shown to have been (i) in the public domain through no action of Buyer or its Representatives, (ii) lawfully acquired by Buyer from other sources not known by Buyer (after due inquiry) to be bound by any obligations of confidentiality, (iii) independently developed by Buyer without reference to the Confidential Information and without a breach of this Agreement or (iv) approved for release by written authorization of Seller or the third party owner of the information.

“Contract” means any written agreement, lease (but excluding any Lease), license (but excluding any License), easement (but excluding any Easement), commitment or arrangement, including any sales orders or purchase orders.

“Conveyance Document” means any assignment and assumption agreement, bill of sale, Deed, Lease, Lease Assignment, Milan Easement Agreement, Van Wagner Easement Agreement, Apportionment, License, License Assignment and any other instrument of Transfer necessary or appropriate to effectuate the Transfer of any Purchased Assets or the assumption of any Assumed Liabilities hereunder.

“De-Energized” means, with respect to any Undepreciated Asset, that the applicable pole, wire, conduit and/or other equipment has been disconnected from the electrical grid, retired from operation, and is no longer used for the transmission of energy.

“Easement” means any easement to real property in which Seller has a right, title or interest upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be located and which is to be granted or assigned to Buyer hereunder.

“Easement Apportionment” means an apportionment of an easement between Buyer and Seller to real property in which Seller has an Easement and a portion of which is to be granted or assigned to Buyer hereunder.

“EM&CP” means the Environmental Management and Construction Plan for the NYES Project that will cover the Real Properties as approved ultimately by the NYPSC.

“Environmental Information” means any communication or written material (whether in hard copy or electronic form) from or to any Governmental Authority or an adjacent or nearby landowner (if such landowner asserts a material claim with respect to any Purchased Asset asserting non-compliance with or violations of Environmental Law or Environmental Permits) and any other non-privileged memoranda, audits, reviews, studies (including Phase I and Phase II reports), analyses or investigations relating to the condition or status of any Purchased Asset under applicable Environmental Law and any Environmental Condition.

“Environmental Law” means any Law applicable to the Purchased Assets relating to pollution or protection of the environment, natural resources and human health and safety, including the use, handling, transportation, treatment, storage, disposal, Release or discharge of Hazardous Materials, as in effect on any applicable Closing Date.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required by a Governmental Authority for the development, construction, ownership, operation or maintenance of the Undepreciated Assets under any Environmental Law.

“Fair Market Value” shall mean the price that a third party would pay in an arms-length transaction, as determined pursuant to Section 2.14 and consistent with applicable Law (including Section 70 of the New York Public Service Law), as may be modified in an order by the NYPSA.

“Federal Funds Rate” shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next succeeding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any date that is a Business Day, the average of the quotations for such day on such transactions received by Buyer and Seller from three (3) unaffiliated federal funds brokers of recognized standing selected by them.

“Fee Interests” means real property fee ownership interests held by Seller upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be located and which are being Transferred to Buyer hereunder.

“Final Updated Schedule” means the Final Updated Land Rights Schedule and any Final Updated Undepreciated Assets Schedule.

“FERC” means the Federal Energy Regulatory Commission.

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

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

“Governmental Authority” means federal, state, county, local or other governmental or regulatory authority, administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental or quasi-governmental authority having jurisdiction over either of the Parties, the Purchased Assets, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, regulatory, police or taxing authority or power; provided, however, that such term does not include any Public Power Authority or any Representative thereof.

“Hazardous Materials” means, any substance, whether liquid, solid, or gaseous that is listed, defined, or regulated under any Environmental Law.

“Indebtedness” shall mean, without duplication, (a) all indebtedness for borrowed money or for the deferred purchase price of property or services, (b) any other indebtedness that is evidenced by a note, bond, debenture, draft or similar instrument other than performance and surety bonds arising in the ordinary course of business, (c) all obligations under financing or capital leases to the extent required by GAAP or applicable Law to be recorded as indebtedness, (d) letters of credit and any similar agreements, (e) any guarantee of any of the foregoing obligations and (f) all indebtedness referred to in clauses (a) through (e) above of any accrued or unpaid interest or penalty.

“Knowledge” with respect to any Party shall mean those facts and circumstances actually or constructively known by such Party or such knowledge as a reasonable person in the position of such Party should reasonably have after due inquiry and investigation into such facts and circumstances.

“Land Rights” means, as applicable, all Fee Interests, Leases, Easements, Easement Apportionments and Licenses.

“Land Rights Closing Assumed Liability Amount” means the Closing Assumed Liability Amount to be assumed by Buyer at the Land Rights Closing.

“Land Rights Filing Date” means the date on which Seller, pursuant to Section 5.01, makes the initial filing with the NYPSC seeking approval under Section 70 of the New York Public Service Law of the Transfer of the Seller Land Rights to Seller.

“Law” means any U.S. federal, state, local or non-U.S. statute, law, ordinance, regulation, rule, code, order, ordinance (including zoning), executive order or decrees, edicts or binding interpretation by a Governmental Authority or other requirement or rule of law, including the common law.

“Lease” means (a) a lease pursuant to which Seller, as lessee, leases or otherwise obtains the contractual right to the exclusive possession of a parcel of real property upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be located, and which is to be assigned or sub-leased to Buyer hereunder or (b) a lease to a parcel of real property owned by Seller in fee simple upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be located, and which is to be granted to Buyer hereunder.

“Liabilities” means, except as otherwise expressly qualified by this Agreement, all debts, liabilities (including liabilities for Taxes), guarantees, assurances, commitments and obligations, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or un-accrued, known or unknown, due or to become due, whenever and however arising (including whether arising out of any contract or tort based on negligence, or strict liability) and whether or not the same would be required by generally accepted accounting principles to be reflected in financial statements or disclosed in the notes thereto.

“License” means (a) a license or contract pursuant to which Seller, as licensee or contract counterparty, licenses or otherwise obtains a contractual right to the use of a parcel of real property upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be

located and which is to be assigned to Buyer hereunder or (b) any license or assent to real property owned in fee or leased by Seller, or as to which Seller holds an easement, upon which Transmission Line Facilities or Transmission Substation Facilities are proposed to be located, to be granted to Buyer hereunder.

“Lien” means any mortgage, lien, pledge, security interest, hypothecation, option, encumbrance, claim or charge of any kind.

“LLCA” means the Amended and Restated Limited Liability Company Agreement of New York Transco LLC, dated October 11, 2017, as the same has been amended by an Amendment No. 1 to Amended and Restated Limited Liability Company Agreement of New York Transco LLC, dated November 14, 2018, an Amendment No. 2 to Amended and Restated Limited Liability Company Agreement of New York Transco LLC, effective January 1 2019 and an Amendment No. 3 to Amended and Restated Limited Liability Company Agreement of New York Transco LLC, dated May 7, 2020, and as the same may hereafter be further amended in accordance with its terms.

“Losses” means all losses, damages, costs, expenses, liabilities, fines, penalties, environmental investigation and remediation costs, obligations and claims of any kind (including any action, claim, inquiry, proceeding or investigation brought by any Governmental Authority or other Person and including reasonable attorneys’ fees).

“Milan License Agreement” means that certain License Agreement by and between Seller and Buyer dated August 17, 2022 relating to the real property owned by Seller subject to the Milan Easement.

“Multifunction Contract” means any Contract related to the Undepreciated Assets that (i) Seller is a party to or by which any of its assets is bound, (ii) not involving real property rights (including any Land Rights), and (iii) is related to any other project or business or Excluded Assets of Seller or the benefits of which are needed by Seller after the Closing.

“NYISO” means the New York Independent System Operator.

“NYPSC” means the New York Public Service Commission.

“NYSDEC” means the New York State Department of Environmental Conservation.

“Organizational Document” means, with respect to an entity, its certificate of incorporation, articles of incorporation, by-laws, articles of organization, limited liability company agreement, formation agreement, joint venture agreement or other similar organizational document of such entity.

“Permits” means all permits, approvals, identification numbers, licenses or other authorizations required of or by a Governmental Authority for the development, construction, ownership, operation or maintenance of the Undepreciated Assets, including Environmental Permits.

“Permitted Liens” means (a) Liens for property taxes and assessments not yet due or payable, (b) Liens of mechanics, laborers, warehousemen and similar statutory liens arising in the ordinary course of business for amounts not yet due, (c) those minor imperfections of title that do not materially restrict or interfere with the intended use of the applicable parcel of real property, (d) Liens consisting of zoning or planning restrictions, easements, servitudes, licenses, permits and other restrictions or limitations on the use of real property which do not materially restrict, impair or interfere with the intended use of the respective property, (e) those imperfections of title that are set forth on Schedule 1.01 hereto, and (f) any Liens deemed Permitted Liens pursuant to Section 5.03.

“Person” means any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust or other business entity.

“Pre-Existing Environmental Condition” means any Environmental Condition in existence at any time prior to any Closing Date.

“Public Power Authority” means Long Island Lighting Company, d/b/a LIPA, a corporate municipal instrumentality of the State of New York and body corporate and politic and political subdivision of the State of New York or the New York Power Authority, a corporate municipal instrumentality and political subdivision of the State of New York.

“Purchased Assets” means the Undepreciated Assets and the Seller Land Rights.

“Purchase Price” means the sum of the Undepreciated Assets Purchase Price and the Land Rights Purchase Price.

“Real Properties” means all land that is the subject of the Seller Land Rights conveyed hereunder.

“Regulatory Methodologies” means, (i) for purposes of Land Rights, the across the fence valuation method, plus the value of other improvements made to the land for the intended use; and (ii) for purposes of Undepreciated Assets, the value determined in accordance with GAAP.

“Release” means any spilling, emitting, discharging, leaking, pumping, pouring, emptying, escaping, dumping, injecting, depositing, disposing, dispersing, leaching or migrating of Hazardous Materials into the environment (including ambient air, surface water, groundwater and surface or subsurface strata).

“Representatives” means, collectively, the members, managers, officers, directors, employees, agents, consultants and advisors of the Buyer or the Seller, as applicable.

“Required Asset” means any (1) Land Right that was not included in the Land Rights Schedule; or (2) pole, wire, conduit and/or other equipment of Seller that was not included in the applicable Undepreciated Asset Schedule, that the Parties mutually agree: (A) is necessary for the operation of the NYES Project; and (B) will not have a material adverse effect on Seller’s existing transmission lines or Transmission Substation Facilities.

“Seller’s Expert” shall be Appraisal Economics, Inc.

“Taxes” shall mean all taxes, charges, fees, levies, penalties or other assessments imposed by any federal, state, local, provincial or foreign taxing authority, including, income, gross receipts, excise, real or personal property, sales, use, transfer, customs, duties, franchise, payroll, withholding, social securities, receipts, license, stamp, occupation, employment, including any interest, penalties or additions attributable thereto, and any payments to any state, local, provincial or foreign taxing authorities in lieu of such taxes, charges, fees, levies or assessments.

“Transmission Line” means the line or lines for the transmission of electricity consisting of Transmission Line Facilities and the corresponding Seller Land Rights.

“Transmission Line Facilities” means all items of equipment, including all pipe, pipeline, duct, wire, line, conduit, pole, tower, equipment or other structures used for transmission that are part of the NYES Project’s transmission line set forth on Schedule 2.02(a).

“Transmission Substation Facilities” means any and all equipment (including towers, poles, transformers, circuit breakers, meters and wires) that are located at a substation on the Real Properties and set forth on Schedule 2.02(a).

“Undepreciated Assets Closing Assumed Liability Amount” means the Closing Assumed Liability Amount to be assumed by Buyer at the Undepreciated Assets Closing.

“Updated Undepreciated Assets Cost Estimate Amount” means the undepreciated capital cost of the Undepreciated Assets from inception to the date stated in the Updated Undepreciated Assets Cost Statement. For the avoidance of doubt, the Updated Undepreciated Assets Cost Estimate Amount shall not include any Applicable Variance.

“Updated Undepreciated Assets Cost Statement” means the statement prepared in good faith by Seller, and derived from the books and records of Seller, of (a) the Updated Undepreciated Assets Cost Estimate Amount, as of the most recently available date, and (b) the Applicable Variance as determined by the Seller.

Section 1.02 Terms Defined in this Agreement. The following capitalized terms have the meanings set forth in the Sections hereof referenced immediately below:

AAA.....	1.01	Environmental Condition .....	1.01
Accept .....	2.01	Environmental Information.....	1.01
Action.....	9.12	Environmental Law.....	1.01
Affiliate.....	1.01	Environmental Permit .....	1.01
Agreement.....	Preamble	Environmental Response .....	7.05(c)(iii)
Applicable Regulatory Authority.....	1.01	Estimated Land Rights Closing	
Applicable Variance.....	1.01	Statement.....	2.08(c)
Apportionment .....	2.01(d)	Estimated Land Rights Closing	
Assumed Contract.....	2.01(f)	Statement Dispute Notice .....	2.08(d)
Assumed Environmental		Estimated Land Rights Closing	
Liabilities .....	2.04(a)(iv)	Statement Disputed Items .....	2.08(d)
Assumed Liabilities .....	1.01	Estimated Land Rights Closing	
Assumed Seller Land		Statement Review Period.....	2.08(d)
Rights Liabilities.....	2.04(a)	Estimated Undepreciated Assets	
Assumed Undepreciated Assets		Closing Statement .....	2.09(c)
Liabilities .....	2.04(b)	Estimated Undepreciated Assets	
Authorized Buyer Representatives .....	1.01	Closing Statement Dispute Notice .	2.09(d)
Bankruptcy and Equity Exceptions.....	3.02	Estimated Undepreciated Assets	
Business Day.....	1.01	Closing Statement Disputed Items.	2.09(d)
Buyer.....	Preamble	Estimated Undepreciated Assets	
Buyer Indemnified Parties .....	7.02	Closing Statement Review Period .	2.09(d)
Buyer's Expert .....	1.01	Excluded Assets .....	2.03
Buyer's Valuation .....	2.14(c)	Excluded Environmental Liabilities ..	2.05(c)
Casualty Event .....	5.04(a)	Excluded Liabilities .....	2.05
Closing .....	2.07(c)	Fair Market Value .....	1.01
Closing Assumed Liability Amount .....	1.01	Federal Funds Rate .....	1.01
Closing Date.....	2.07(c)	Fee Interests .....	1.01
Closing Statement .....	1.01	FERC.....	1.01
Confidential Information .....	1.01	Final Closing Statement.....	2.12(e)
Contract.....	1.01	Final Statement .....	2.12(e)
Conveyance Document .....	1.01	Final Updated Land Rights Schedule	2.08(c)
Deed .....	2.01(a)	Final Updated Schedule .....	1.01
De-Energized .....	1.01	Final Updated Undepreciated	
Deferred Asset .....	2.06(a)	Assets Schedule .....	2.09(c)
Development Agreement .....	Preamble	Force Majeure Event.....	9.01
Dispute .....	9.10	GAAP.....	1.01
Dispute Notice .....	2.12(c)	Good Utility Practice .....	1.01
Disputed Items .....	2.12(c)	Governmental Authority .....	1.01
Disputed Schedule Items.....	2.13(c)	Hazardous Materials .....	1.01
Easement.....	1.01	Illustrative Estimated Signing	
Easement Apportionment.....	1.01	Statement.....	2.08(b)
EM&CP.....	1.01	Indebtedness.....	1.01

Indemnified Party.....	7.04	Purchase Price.....	1.01
Indemnifying Party.....	7.04	Purchased Assets.....	1.01
Independent Accountant .....	2.12(d)	Real Properties .....	1.01
Knowledge .....	1.01	Regulatory Methodologies.....	1.01
Land Rights.....	1.01	Release .....	1.01
Land Rights Closing .....	2.07(a)	Representatives .....	1.01
Land Rights Closing Assumed		Required Asset .....	1.01
Liability Amount.....	1.01	Resolution Period.....	2.12(d)
Land Rights Closing Date.....	2.07(a)	Review Period.....	2.12(c)
Land Rights Closing Statement .....	2.12(a)	Schedule Dispute Notice.....	2.13(c)
Land Rights Filing Date.....	1.01	Schedule Dispute Review Period.....	2.13(d)
Land Rights Purchase Price .....	2.08(a)	Schedule Review Period .....	2.13(b)
Law .....	1.01	Seller .....	Preamble
Lease .....	1.01	Seller Indemnified Parties.....	7.03
Liabilities .....	1.01	Seller Land Rights.....	2.01
License .....	1.01	Seller's Expert.....	1.01
Lien .....	1.01	Seller's Valuation.....	2.14(b)
LLCA .....	1.01	Survival Termination Date.....	7.01
Losses.....	1.01	Taxes .....	1.01
Milan Easement Agreement.....	2.01(c)	Termination Date .....	8.01(b)
Milan License Agreement.....	Preamble	Third Party Claim .....	7.04
Milan Work.....	5.12	Title Insurance Commitments.....	5.03
Multifunction Contract.....	1.01	Title Matters.....	5.03
National Grid .....	Preamble	Title Reports.....	5.03
Net Book Value.....	2.09(a)	Transfer .....	2.01
New York Courts .....	9.12	Transmission Line.....	1.01
NYES Project.....	Preamble	Transmission Line Facilities.....	1.01
NYISO .....	1.01	Transmission Substation Facilities .....	1.01
NYPSC.....	1.01	True-Up Payment Amount.....	2.12(g)
NYSDEC.....	1.01	Undepreciated Assets.....	2.02
Objection Notice .....	5.03	Undepreciated Assets Closing .....	2.02
Order .....	5.01(a)	Undepreciated Assets Closing	
Organizational Document .....	1.01	Assumed Liability Amount.....	1.01
Parties.....	Preamble	Undepreciated Assets Closing Date... 2.07(b)	
Party .....	Preamble	Undepreciated Assets Closing	
Permits .....	1.01	Statement.....	2.12(b)
Permitted Liens .....	1.01	Undepreciated Assets Purchase Price 2.09(a)	
Person.....	1.01	Updated Disclosure Item.....	2.13(a)
Pre-Closing Land Rights Resolution		Updated Schedule .....	2.13(c)
Period .....	2.08(d)	Updated Undepreciated Assets Cost	
Pre-Closing Undepreciated		Estimate Amount .....	1.01
Assets Resolution Period .....	2.09(d)	Updated Undepreciated Assets	
Pre-Existing Environmental Condition... 1.01		Cost Statement .....	1.01
Proposed Schedule Update .....	2.13(a)	Van Wagner Easement Agreement 2.01(c)	
Public Power Authority.....	1.01		

Section 1.03 Terms Defined in the LLCA. To the extent there is any inconsistency between the terms defined in the LLCA and this Agreement, this Agreement shall govern.

## ARTICLE II

### PURCHASE AND SALE

Section 2.01 Purchase and Sale of Land Rights. On the terms and subject to the conditions of this Agreement, at the Land Rights Closing, Seller shall sell, convey, assign, transfer and deliver (“Transfer”) to Buyer, free and clear of all Liens other than Permitted Liens, and Buyer shall purchase, acquire and accept (“Accept”) from Seller, all of Seller’s right, title and interest in and to the Seller Land Rights. As used in this Agreement, “Seller Land Rights” shall mean, subject to Section 2.03, the following:

(a) Each Fee Interest related to the NYES Project identified on Schedule 2.01(a), which shall be conveyed to Buyer pursuant to a Bargain and Sale Deed with Covenants Against Grantor’s Acts and Lien Covenant (a “Deed”), together with all buildings, fixtures, structures and improvements owned by Seller and erected or located on the real property with respect to such Fee Interest that are exclusively related to the NYES Project or otherwise related to the NYES Project and identified on Schedule 2.01(a), but excluding (x) all other buildings, fixtures, structures and improvements owned or leased by Seller that are required to conduct or are related to another business, project or Excluded Asset of Seller and (y) the buildings, fixtures, structures and improvements identified on Schedule 2.01(a)(y);

(b) Each Lease related to the NYES Project identified on Schedule 2.01(b), which shall be assigned or granted to Buyer pursuant to an assignment or a lease customarily used by Seller in its service territory and reasonably acceptable to Buyer or in such other form as the Parties shall mutually agree, together with all buildings, fixtures, structures and improvements owned or leased by Seller and erected or located on the real property with respect to such Lease and exclusively related to the NYES Project, but excluding (x) all other buildings, fixtures, structures and improvements that are owned or leased by Seller that are related to another business, project or Excluded Asset of Seller and (y) the buildings, fixtures, structures and improvements identified on Schedule 2.01(b)(y);

(c) Each Easement related to the NYES Project identified on Schedule 2.01(c), which shall be granted to Buyer pursuant to an easement agreement in the form of Exhibit A attached hereto (the “Van Wagner Easement Agreement”) or an easement agreement in the form of Exhibit B attached hereto (the “Milan Easement Agreement”);

(d) Each Easement Apportionment related to the NYES Project identified on Schedule 2.01(d), which shall be granted or assigned to Buyer pursuant to an assignment or easement customarily used by Seller in its service territory and reasonably acceptable to Buyer or in such other form as the Parties shall agree (the “Apportionment”);

(e) Each License related to the NYES Project identified on Schedule 2.01(e) which shall be assigned and/or granted to Buyer pursuant to a License assignment or License customarily used by Seller in its service territory and reasonably acceptable to Buyer or in such other form as the Parties shall mutually agree;

(f) All rights, title and interests of Seller under the Contracts that are exclusively related to the Seller Land Rights defined under this Section 2.01, including Contracts identified on Schedule 2.01(f), but excluding the rights, title and interests of Seller under such Contracts not exclusively related to the other Seller Land Rights (the “Assumed Contracts”);;

(g) All rights and claims under any and all transferable warranties extended by suppliers, vendors, contractors and manufacturers under any Assumed Contract to be assumed by Buyer at the Land Rights Closing, or any Purchased Asset defined under this Section 2.01 and primarily related to the Seller Land Rights;

(h) All insurance proceeds (after deducting any costs and expenses incurred by Seller in connection with pursuing the underlying claims) received or receivable under any insurance policy of Seller written prior to the Land Rights Closing Date in connection with (i) any Casualty Event resulting in damage or destruction of any NYES Project Land Right (or any asset that would have been a NYES Project Land Right but for such damage or destruction occurring prior to the applicable Closing) and (ii) any Assumed Seller Land Rights Liability, in each case, only to the extent the Purchase Price has not been reduced with respect to such Casualty Event or Assumed Seller Land Rights Liability; and

(i) All claims, causes of action, choses in action, rights of recovery and rights under or with respect to the other Seller Land Rights or any Assumed Seller Land Rights Liability.

Notwithstanding anything in this Section 2.01 to the contrary, unless otherwise agreed to by Buyer and Seller, the allocation of any Liabilities and the terms of any exculpation and indemnification provisions of any Conveyance Document shall be consistent with the terms and conditions of this Agreement.

Section 2.02 Purchase and Sale of Undepreciated Assets. The closing of the purchase and sale of the Undepreciated Assets shall take place at a closing (the “Undepreciated Assets Closing”) as mutually agreed to by the Parties. On the terms and subject to the conditions of this Agreement, at the Undepreciated Assets Closing, Seller shall Transfer to Buyer, free and clear of all Liens other than Permitted Liens, and Buyer shall Accept from Seller, all of Seller’s right, title and interest in and to the Undepreciated Assets as mutually agreed to by the Parties.

As used in this Agreement, “Undepreciated Assets” shall mean, subject to Section 2.03, the following:

(a) The equipment or personal property identified on Schedule 2.02(a) including, but not limited to, the Transmission Line Facilities, the Transmission Substation Facilities, transformers, circuit breakers, meters, poles, wires and conduits to be acquired;

(b) All rights, title and interest related to the Undepreciated Assets under any Multifunction Contract set forth on Schedule 2.02(b);

(c) All insurance proceeds (after deducting any costs and expenses incurred by Seller in connection with pursuing the underlying claims) received or receivable under any insurance policy of Seller written prior to the Closing Date in connection with (i) any Casualty Event resulting in damage or destruction of any Undepreciated Assets (or any asset that would

have been any of the Undepreciated Assets but for such damage or destruction occurring prior to the applicable Closing) and (ii) any Assumed Undepreciated Assets Liability, in each case, only to the extent the Purchase Price has not been reduced with respect to such Casualty Event or Assumed Undepreciated Assets Liability; and

(d) All claims, causes of action, choses in action, rights of recovery and rights under or with respect to any Undepreciated Assets or any Assumed Undepreciated Assets Liability.

Notwithstanding anything in the foregoing to the contrary, Undepreciated Assets shall not include any Seller Land Rights.

Section 2.03 Excluded Assets. Notwithstanding anything in Section 2.01 or Section 2.02 to the contrary, the Purchased Assets shall not in any event include any of the following (the “Excluded Assets”):

- (a) Intentionally Omitted;
- (b) All cash, cash equivalents and securities owned and otherwise held by Seller;
- (c) All corporate seals, Organizational Documents, stock and corporate record books containing minutes of the board of directors or equity holders of Seller, and all other records having to do with the finances or accounting, organization or capitalization of Seller;
- (d) Except as expressly set forth in Section 2.01 and the corresponding Schedules thereto, all owned and leased real property and other rights in real property of Seller;
- (e) Except as expressly provided in Section 2.01 and Section 2.02, all rights to insurance policies and interests in insurance pools and programs of Seller and its Affiliates;
- (f) Seller’s employee benefit plans, programs, arrangements, agreements and policies, and any assets related thereto;
- (g) All current and/or pending causes of action and defenses against third parties relating to any other Excluded Assets or Excluded Liabilities as well as any books, records, and privileged information relating thereto;
- (h) Any interest in contracts, agreements, leases, licenses, purchase orders and other instruments, arrangements or understandings of any kind other than the Assumed Contracts and Buyer’s rights and interest in any Conveyance Documents relating to the Seller Land Rights;
- (i) The rights of Seller under this Agreement and the Conveyance Documents and under any other agreement, certificate, instrument or other document executed and delivered by Seller or Buyer in connection with the transactions contemplated hereby;
- (j) Any Federal Communications Commission licenses held by Seller or its Affiliates;

(k) The assets, properties, rights, contracts, claims and Permits identified on Schedule 2.03(l) that otherwise may be related to the Undepreciated Assets but are being retained by Seller;

(l) Any other asset, property right, contract, claim or Permit that is to be expressly retained by Seller pursuant to any Conveyance Document; and

(m) Other than any asset, property right, contract, claim or Permit expressly provided to be Transferred to Buyer under Section 2.01 or Section 2.02 or the corresponding Schedules thereto, all other assets, properties, rights, contracts, claims or Permits of Seller, wherever located.

#### Section 2.04 Assumed Liabilities.

(a) On the terms and subject to the conditions of this Agreement, at the Land Rights Closing, Buyer shall assume and become responsible for any and all Assumed Seller Land Rights Liabilities, regardless, except where expressly provided otherwise, of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Land Rights Closing, or where or against whom such Liabilities are asserted or determined or whether determined prior to the date of this Agreement, but in each case excluding the Excluded Liabilities. For purposes of this Agreement, the “Assumed Seller Land Rights Liabilities” shall mean:

(i) All sales and transfer Taxes applicable to the Transfer of the Seller Land Rights;

(ii) All Liabilities for Taxes applicable to the Seller Land Rights with respect to any period (or portion thereof) from and after the Land Rights Closing;

(iii) All Liabilities arising under any Contract assigned or otherwise Transferred to Buyer under Section 2.01 (or, with respect to any Contract partially assigned or otherwise partially Transferred under Section 2.01, such partially assigned or otherwise Transferred portion of such Contract);

(iv) All Liabilities: (A) whether accruing before, on or after the Land Rights Closing Date, arising under Environmental Law (including the exposure of any Person to Hazardous Materials) and arising from or related to the NYES Project, Real Properties or Undepreciated Assets, including operations for which a current or future owner or operator of the NYES Project, Real Properties or Undepreciated Assets may be alleged to be responsible as a matter of Law, except, in each case, any of the Liabilities described in Section 2.05(c) and (B) related to any Pre-Existing Environmental Condition of any Purchased Asset to the extent (but only to the extent) that such Liabilities arise from or are exacerbated by the acts of omissions of Buyer or its Representatives (including any contractors or subcontractors or any third party acting under the supervision of Buyer) (collectively, the “Assumed Environmental Liabilities”); and

(v) Except as otherwise expressly provided in this Agreement or the Schedules to this Agreement, or any Conveyance Document, all Liabilities related to the NYES Project and/or ownership or use of any Seller Land Rights.

(b) On the terms and subject to the conditions of this Agreement, at the Undepreciated Assets Closing, Buyer shall assume and become responsible for any and all Assumed Undepreciated Assets Liabilities, regardless, except where expressly provided otherwise, of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to such Closing, or where or against whom such Liabilities are asserted or determined or whether determined prior to the date of this Agreement, but in each case, excluding the Excluded Liabilities. For purposes of this Agreement, the “Assumed Undepreciated Assets Liabilities” shall mean:

(i) All sales and transfer Taxes applicable to the Transfer of the Undepreciated Assets;

(ii) All Liabilities for Taxes applicable to the Undepreciated Assets with respect to any period (or portion thereof) from and after the Undepreciated Assets Closing;

(iii) Except as otherwise expressly provided in this Agreement or the Schedules to this Agreement, or any Conveyance Document, all Liabilities related to the NYES Project and/or ownership or use of the Undepreciated Assets.

Section 2.05 Excluded Liabilities. Notwithstanding the foregoing, the Assumed Liabilities shall not in any event include any of the following Liabilities (the “Excluded Liabilities”):

(a) All Liabilities associated with any Excluded Asset;

(b) All Liabilities for Taxes applicable to any Purchased Asset with respect to any period (or portion thereof) ending before the applicable Closing in which such Purchased Asset was Transferred;

(c) All Liabilities (i) arising out of or relating to the Pre-Existing Environmental Condition of any Purchased Asset, (ii), whether accruing before, on or after the Land Rights Closing or the Undepreciated Assets Closing, arising under Environmental Law (including the exposure of any Person to Hazardous Materials) and arising from or related to any Excluded Asset or the acts or omissions of Seller or any of its Representatives, excluding, in each case of (i) and (ii), any of the Liabilities defined in Section 2.04(a)(iv)(B) (collectively, the “Excluded Environmental Liabilities”);

(d) All Liabilities arising out of or relating to Seller (i) breaching any provision of any Assumed Contract or this Agreement, (ii) conducting, operating or using the Undepreciated Assets in a manner that materially violates any applicable Law and has a material adverse effect on the Undepreciated Assets, or (iii) that are the result of the failure of Seller to conduct, operate or use the Undepreciated Assets in accordance with Good Utility Practice;

(e) All Liabilities that are expressly contemplated by this Agreement or the Schedules to this Agreement, or any Conveyance Document to be assumed or retained by Seller.

Section 2.06 Assignment of Certain Purchased Assets.

(a) If any Transfer of any Purchased Asset (or any claim, right or benefit arising thereunder) shall require the consent or approval of any third party (including the removal of any Lien (other than a Permitted Lien)) (other than any consent identified on Schedule 6.02(e)) or would violate any applicable Laws and such consent or approval or removal has not been obtained by the applicable Closing, then, notwithstanding any other provision of this Agreement to the contrary, the Transfer of such Purchased Asset shall automatically be deferred and no Transfer of such Purchased Asset (such Purchased Asset, a “Deferred Asset”) shall occur until all legal impediments are removed (including the removal of any Lien (other than a Permitted Lien)) or such consents or approvals have been obtained; provided, however, that Buyer, or Buyer and Seller, jointly, may elect to require the immediate Transfer of any such Purchased Asset notwithstanding any requirement that an immaterial consent or approval be obtained; provided, however, that (i) if Buyer elects to require the immediate Transfer of any such Purchased Assets, any Liabilities arising from such Transfer shall be deemed to be Assumed Liabilities and (ii) if Buyer and Seller jointly elect to require the immediate Transfer of any such Purchased Assets, any Liabilities arising from such Transfer shall be shared equally by Buyer and Seller.

(b) Any Deferred Asset shall be held in trust by Seller, for the benefit of Buyer, insofar as reasonably practical and to the extent permitted by applicable Law. To the extent that any Deferred Asset cannot be Transferred without the approval or consent of any third party (including any Governmental Authority), this Agreement shall not constitute an agreement to Transfer such Deferred Asset if an attempted Transfer would constitute a breach of the underlying Contract or other agreement or violate any applicable Law. The Parties shall use their commercially reasonable efforts to develop and implement mutually acceptable arrangements to place Buyer, in so far as reasonably possible, in the same position as if such Deferred Asset had been Transferred at the applicable Closing and so that all the benefits and burdens relating to such Deferred Asset, including possession, use, risk of loss, potential for gain, ownership for regulatory accounting, Liabilities for Tax, and dominion, control and command of and over such Deferred Assets, are to inure to Buyer from and after the applicable Closing; provided that no such arrangement will be deemed to have caused the Closing conditions in Section 6.02(a), Section 6.02(f)(ii) or Section 6.02(h) to have been satisfied unless, after giving effect to the foregoing, Buyer, without being in breach of applicable Law or the applicable Contract or other agreement, will be able to develop the NYES Project in all material respects. If and when the legal or contractual impediments the presence of which caused the deferral of the Transfer of any Deferred Asset pursuant to this Section 2.06 are removed or any consents or approvals the absence of which caused the deferral of any Deferred Asset are obtained, the Transfer of the applicable Deferred Asset shall be effected in accordance with the terms of this Agreement and/or the applicable Conveyance Document. The obligations set forth in this Section 2.06 shall terminate on the two (2) year anniversary of the Undepreciated Assets Closing Date.

(c) Unless otherwise agreed to by the Parties, any Deferred Asset shall be included in the Purchase Price at the applicable Closing if the mutually acceptable arrangements provided for in this Section 2.06 would allow such Deferred Asset (or an intangible asset related

to such Deferred Asset) to be included in the financial and regulatory books and records of Buyer under applicable regulatory accounting rules; provided, that each of Buyer and Seller shall cooperate in the regulatory accounting treatment of the foregoing; provided further, however, if the Transfer of any Deferred Asset does not occur by the two (2) year anniversary of the Undepreciated Assets Closing Date or if this Agreement is terminated after the Land Rights Closing but prior to the Undepreciated Assets Closing pursuant to Section 8.01(a), (b), (c) (e) or (f), Seller shall, within forty five (45) days, promptly pay to Buyer, in immediately available funds, an amount equal to undepreciated capital cost (as reflected on the books and records of the Party carrying such Deferred Asset on its books and records) or Fair Market Value, whichever is less, as the case may be, of such Deferred Asset as of such date the obligations set forth in this Section 2.06 terminate or this Agreement is so terminated, as applicable, and no Transfer of such Deferred Asset shall occur.

(d) The Parties agree that if any Required Asset is not Transferred to Buyer as a Purchased Asset as part of the Land Rights Closing or the Undepreciated Assets Closing, upon written notice from Buyer to Seller, such Required Asset shall be held in trust by Seller, for the benefit of Buyer, insofar as reasonably practical and to the extent permitted by applicable Law. The Parties shall use their commercially reasonable efforts to develop and implement mutually acceptable arrangements to place Buyer, in so far as reasonably possible, in the same position as if such Required Asset had been Transferred at the applicable Closing and so that all the benefits and burdens relating to such Required Asset, including possession, use, risk of loss, potential for gain, ownership for regulatory accounting, Liabilities for Tax, and dominion, control and command of and over such Required Asset, are to inure to Buyer from and after the applicable Closing. To the extent that any Required Asset cannot be Transferred without the approval or consent of any third party (including any Governmental Authority), this Agreement shall not constitute an agreement to Transfer such Required Asset if an attempted Transfer would constitute a breach of the underlying Contract or other agreement or violate any applicable Law. If and when any such Required Asset is identified and if applicable any consents or approvals are obtained, the Transfer of the applicable Required Asset shall be effected as the Transfer of a Purchased Asset in accordance with the terms of this Agreement and/or the applicable Conveyance Document and Buyer shall promptly pay to Seller, in immediately available funds, an amount equal to undepreciated capital cost (as reflected on the books and records of the Party carrying such Required Asset on its books and records) or Fair Market Value, as the case may be, of such Required Asset, as of the applicable Closing Date on which such Required Asset would have been Transferred if it had been a Purchased Asset. The obligations set forth in this Section 2.06 shall terminate on the two (2) year anniversary of the Land Rights Closing Date with respect to any Land Right or the Undepreciated Assets Closing Date with respect to any Undepreciated Asset.

#### Section 2.07 Closings.

(a) Land Rights Closing. On (i) a date as soon as reasonably practicable after Buyer has obtained all regulatory approvals for the NYES Project and following the satisfaction, or waiver by the Party entitled to the benefit thereof, of the conditions precedent set forth in Section 6.01 and Section 6.02 applicable to the Land Rights Closing (defined below) or (ii) such other date as Seller and Buyer may mutually agree in writing (provided, that in either case, the other conditions to closing specified in Sections 6.01 and 6.02 are then satisfied or have been waived), the Transfer and Acceptance of the Seller Land Rights and the assumption of the Assumed Seller

Land Rights Liabilities contemplated by this Agreement shall take place at a closing (the “Land Rights Closing”) that will be held at the offices of Harris Beach PLLC at 677 Broadway, Suite 1101, Albany, New York, 12207 or such other place as the Parties may agree in writing (the date on which the Land Rights Closing takes place being the “Land Rights Closing Date”).

(b) Undepreciated Assets Closing. On (i) a date determined by Buyer and Seller based on the NYES construction plan developed by Buyer and following the satisfaction, or waiver by the Party entitled to the benefit thereof, of the conditions precedent set forth in Section 6.01 and Section 6.02 applicable to the Undepreciated Assets Closing or (ii) such other date as Seller and Buyer may mutually agree in writing (provided that in either case, the other conditions to closing specified in Sections 6.01 and 6.02 are then satisfied or have been waived), the Transfer and Acceptance of the Undepreciated Assets and the assumption of the Assumed Undepreciated Assets Liabilities contemplated by this Agreement shall take place at the Undepreciated Assets Closing that will be held at the offices of Harris Beach PLLC at 677 Broadway, Suite 1101, Albany, New York 12207, or such other place as the Parties may agree in writing (the date on which the Undepreciated Assets Closing takes place being the “Undepreciated Assets Closing Date”).

(c) For purposes of this Agreement, “Closing” shall include the Land Rights Closing and the Undepreciated Assets Closing, and “Closing Date” shall include the Land Rights Closing Date and the Undepreciated Assets Closing Date.

(d) Notwithstanding anything to the contrary in this Agreement, Buyer and Seller shall use commercially reasonable efforts to cause the Land Rights Closing and the Undepreciated Assets Closing to occur simultaneously subject to the conditions set forth in Article 6 below.

#### Section 2.08 Land Rights Purchase Price.

(a) Determination of Land Rights Purchase Price. The aggregate consideration (the “Land Rights Purchase Price”) to be paid by Buyer to Seller for the Land Rights shall be an amount, in cash, equal to the difference of (i) the Fair Market Value of the Seller Land Rights, plus (ii) applicable costs allocated to the Land Rights as set forth in Section 9.02(a), less (iii) the Land Rights Closing Assumed Liability Amount, if any, as of the Land Rights Closing Date, and as calculated in accordance with this Agreement and subject to the adjustment in Section 2.12(g). Buyer shall receive a credit against the Land Rights Purchase Price at the Land Rights Closing in an amount equal to any costs allocated to the Land Rights as set forth in Section 9.02(a) reimbursed to Seller prior to the Land Rights Closing Date.

(b) Illustrative Estimated Signing Statement. As soon as practicable after the satisfaction of the terms in Sections 2.13 and 2.14, but prior to the Land Rights Filing Date, Seller shall prepare a statement (the “Illustrative Estimated Signing Statement”), in the form of Schedule I-A, of (i) the Land Rights Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and each Assumed Seller Land Rights Liability, if any, and (ii) the Fair Market Value of each NYES Project Land Right or category of Seller Land Rights as determined in accordance with the Regulatory Methodologies and Section 2.14, as of such date, in

each case, assuming such Land Rights Closing had occurred on such date, calculated in accordance with this Section 2.08(b).

(c) Closing Calculation. No less than ten (10) Business Days prior to the anticipated Land Rights Closing Date, Seller will cause to be prepared and delivered to Buyer: (i) an updated version of Schedule 1.01 (Permitted Liens), and Schedule 2.01, prepared and delivered in accordance with Section 2.13, reflecting all Seller Land Rights that are to be Transferred to Buyer on the Land Rights Closing Date (the “Final Updated Land Rights Schedule”), which Final Updated Land Rights Schedule shall replace any prior Updated Schedule and, upon delivery and acceptance by Buyer pursuant to, and subject to the provisions of, Section 2.12(d), shall become a part of this Agreement and (ii) a statement, prepared in the same format as the Illustrative Estimated Signing Statement (the “Estimated Land Rights Closing Statement”), as of the expected Land Rights Closing Date of, as applicable, the (A) the Land Rights Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and each Assumed Seller Land Rights Liability, (B) the Fair Market Value of each NYES Project Land Right or category of Seller Land Rights as determined in accordance with the Regulatory Methodologies and Section 2.14, and (C) the Land Rights Purchase Price for the Seller Land Rights, as of the expected Land Rights Closing Date, calculated in accordance with this Section 2.08(c).

(d) Access; Review Period. Seller shall, and shall cause its Representatives to, use its and their reasonable efforts to cooperate with Buyer and provide direct access to any information and documentation and other books and records, including work papers, and personnel and properties and other assets during normal business hours and upon reasonable notice to Seller, to assist Buyer in its review of the Estimated Land Rights Closing Statement and the Final Updated Land Rights Schedule. Buyer shall have five (5) Business Days from the date on which all of the items described in Section 2.08(c) have been delivered to it and Seller has confirmed the delivery of all such items to Buyer in writing (such period, the “Estimated Land Rights Closing Statement Review Period”) to review the Estimated Land Rights Closing Statement and Final Updated Land Rights Schedule. Seller shall, and shall cause its Representatives to, upon request, provide Buyer with reasonable assistance in reviewing such statements, including by providing the Buyer and its Representatives with access to such information (including any books and records) and personnel and Representatives of Seller as Buyer may reasonably request in connection with its review subject to, in the case of independent accountant work papers, Buyer entering into a customary release agreement with respect thereto; provided that Seller shall not be obligated to deliver any accountant work papers that such accounting firm does not consent to delivery thereof. Unless Buyer delivers written notice (an “Estimated Land Rights Closing Statement Dispute Notice”) to Seller on or prior to the last day of the Estimated Land Rights Closing Statement Review Period stating that it objects to any item or items shown or reflected on the Land Rights Closing Statement (which objections may only be based on (i) manifest arithmetic error, or (ii) any calculation not having been made in accordance with the Regulatory Methodologies, (the “Estimated Land Rights Closing Statement Disputed Items”), the Final Updated Land Rights Schedule shall be deemed final for purposes of determining the Land Rights Purchase Price to be paid by Buyer at the Land Rights Closing, subject to the adjustment in Section 2.12(f) and in Section 5.04. In the event of delivery of an Estimated Land Rights Closing Statement Dispute Notice by Buyer, senior executives of Buyer (including any Manager of Buyer not appointed by an Affiliate of Seller), on the one hand, and senior executives of Seller, on the other hand, shall attempt to resolve their differences arising from the Estimated Land Rights Closing Statement Disputed Items, and any

resolution agreed by them in writing shall be final for purposes of determining the Land Rights Purchase Price to be paid by Buyer at the Land Rights Closing, subject to the adjustment in Section 2.12(f) and in Section 5.04; provided, however, that unless expressly agreed to in writing by Buyer, any such resolutions shall not modify or otherwise affect the rights of Buyer under Section 2.12, including the right to dispute any items. In the event that, for any reason, such senior executives are unable to amicably resolve all their differences in writing within ten (10) days (or such longer period as Buyer and Seller may agree in writing) following receipt of an Estimated Land Rights Closing Statement Dispute Notice (the “Pre-Closing Land Rights Resolution Period”), then the Land Rights Closing shall occur with Buyer paying Seller that portion of the Land Rights Purchase Price that is not in dispute, and the resolution of any remaining Estimated Land Rights Closing Statement Disputed Items shall be resolved pursuant to Section 2.12 and the Final Updated Land Rights Schedule delivered by Seller (as may be modified pursuant to the provisions of this Section 2.08(d)), shall be final for determining the Land Rights Purchase Price to be paid by Buyer at the Land Rights Closing, subject to the adjustment in Section 2.12(f) and in Section 5.04. Unless otherwise agreed in writing by Buyer and Seller, the Land Rights Closing shall not occur during the Pre-Closing Land Rights Resolution Period. Notwithstanding the foregoing, nothing in this Section 2.08(d) shall limit the right of Buyer or Seller to assert that any of the conditions in Section 6.01 or 6.02 have not been satisfied and, unless expressly waived by Buyer or Seller in writing, no action taken (or failed to be taken) by Buyer or Seller pursuant to this Section 2.08(d) shall be deemed to be a waiver of such conditions.

Notwithstanding anything to the contrary contained herein, if the Land Rights Closing does not occur and this Agreement is terminated, unless required by any Law, Governmental Authority or compelled by a court of competent jurisdiction, Buyer agrees to return to Seller, or certify to Seller that it has destroyed, any materials Seller provides to Buyer in connection with this Section 2.08(d).

#### Section 2.09 Undepreciated Assets Purchase Price.

(a) Determination of Undepreciated Assets Purchase Price. The aggregate consideration (the “Undepreciated Assets Purchase Price”) to be paid by Buyer to Seller for the applicable Undepreciated Assets at any particular Undepreciated Assets Closing shall be an amount, in cash, equal to the difference of: (i) the original book cost of the asset, plus (ii) applicable costs allocated to the Undepreciated Assets as set forth in Section 9.02(a), less (iii) the allocated Depreciation Reserve (inclusive of the cost of removal reserve) for that asset in the Seller’s accounts (“Net Book Value”) in accordance with applicable Regulatory Methodologies, and as calculated in accordance with this Agreement and subject to the adjustment in Section 2.12(g). Buyer shall receive a credit against the Undepreciated Assets Purchase Price at the Undepreciated Assets Closing in an amount equal to any costs allocated to the Undepreciated Assets as set forth in Section 9.02(a) reimbursed to Seller prior to the Undepreciated Assets Closing Date.

(b) Illustrative Estimated Signing Statement. As soon as practicable, but prior to the Land Rights Filing Date, Seller shall provide Buyer with an Illustrative Estimated Signing Statement, in the form of Schedule I-B, of the (i) undepreciated capital cost of each Undepreciated Asset or category of Undepreciated Assets, derived from the financial books and records of Seller, and prepared in good faith in accordance with the accounting principles, methodologies and policies approved by the Applicable Regulatory Authority and, to the extent not inconsistent

therewith, in accordance with the Regulatory Methodologies, (ii) the Undepreciated Assets Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and each Assumed Undepreciated Assets Liability, and (iii) the aggregate Undepreciated Assets Purchase Price for the Undepreciated Assets, assuming an Undepreciated Assets Closing had occurred with respect to all of the Undepreciated Assets on such date, calculated in accordance with this Section 2.09(b).

(c) Closing Calculation. No less than ten (10) Business Days prior to the applicable anticipated Undepreciated Assets Closing Date, Seller will cause to be prepared and delivered to Buyer: (i) an updated version of Schedule 1.01 (Permitted Liens) and Schedule 2.02, prepared and delivered in accordance with Section 2.13, reflecting all Undepreciated Assets that are to be Transferred to Buyer on the Undepreciated Assets Closing Date (as it pertains to the Undepreciated Assets Closing, the “Final Updated Undepreciated Assets Schedule”), which Final Updated Undepreciated Assets Schedule shall replace any prior Updated Schedule and, upon delivery and acceptance by Buyer pursuant to, and subject to the provisions of, Section 2.13, shall become a part of this Agreement and (ii) a statement, prepared in the same format as the Illustrative Estimated Signing Statement (the “Estimated Undepreciated Assets Closing Statement”), as of the expected Undepreciated Assets Closing Date, with respect to the Undepreciated Assets to be purchased at such Undepreciated Assets Closing, of (A) the undepreciated capital cost of each such Undepreciated Asset or category of Undepreciated Assets, derived from the financial books and records of Seller as of the end of the most recently completed calendar month thereof, and prepared in good faith in accordance with the Regulatory Methodologies, (B) the Undepreciated Assets Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and each Assumed Undepreciated Assets Liability, and (C) the Undepreciated Assets Purchase Price for the applicable Undepreciated Assets, as of the expected Undepreciated Assets Closing Date, calculated in accordance with this Section 2.09(c).

(d) Access; Review Period. Seller shall, and shall cause its Representatives to, use its and their reasonable efforts to cooperate with Buyer and provide direct access to any information and documentation and other books and records, including work papers, and personnel and properties and other assets during normal business hours and upon reasonable notice to Seller, to assist Buyer in its review of the Estimated Undepreciated Assets Closing Statement and the Final Updated Undepreciated Assets Schedule. Buyer shall have five (5) Business Days from the date on which all of the items described in Section 2.09(c) and all of the items described in Section 2.09(e) have been delivered to it and Seller has confirmed the delivery of all such items to Buyer in writing (such period, the “Estimated Undepreciated Assets Closing Statement Review Period”) to review the Estimated Undepreciated Assets Closing Statement and Final Updated Undepreciated Assets Schedule. Seller shall, and shall cause its Representatives to, upon request, provide Buyer with reasonable assistance in reviewing such statements, including by providing Buyer and its Representatives with access to such information (including any books and records) and personnel and Representatives of Seller as Buyer may reasonably request in connection with its review subject to, in the case of independent accountant work papers, Buyer entering into a customary release agreement with respect thereto; provided that Seller shall not be obligated to deliver any accountant work papers that such accounting firm does not consent to delivery thereof. Unless Buyer delivers written notice (an “Estimated Undepreciated Assets Closing Statement Dispute Notice”) to Seller on or prior to the last day of the Estimated Undepreciated Assets Closing Statement Review Period stating that it objects to any item or items shown or reflected on the

Undepreciated Assets Closing Statement (which objections may only be based on (i) manifest arithmetic error, or (ii) any calculation not having been made in accordance with the Regulatory Methodologies, (the “Estimated Undepreciated Assets Closing Statement Disputed Items”), the Final Updated Undepreciated Assets Schedule shall be deemed final for purposes of determining the Undepreciated Assets Purchase Price to be paid by Buyer at the Undepreciated Assets Closing, subject to the adjustment in Section 2.12(f) and in Section 5.04. In the event of delivery of an Estimated Undepreciated Assets Closing Statement Dispute Notice by Buyer, senior executives of Buyer (including any Manager of Buyer not appointed by an Affiliate of Seller), on the one hand, and senior executives of Seller, on the other hand, shall attempt to resolve their differences arising from the Estimated Undepreciated Assets Closing Statement Disputed Items, and any resolution agreed by them in writing shall be final for purposes of determining the Undepreciated Assets Purchase Price to be paid by Buyer at the Undepreciated Assets Closing, subject to the adjustment in Section 2.12(f) and in Section 5.04; provided, however, that unless expressly agreed to in writing by Buyer, any such resolutions shall not modify or otherwise affect the rights of Buyer under Section 2.12, including the right to dispute any items. In the event that, for any reason, such senior executives are unable to amicably resolve all their differences in writing within ten (10) days (or such longer period as Buyer and Seller may agree in writing) following receipt of an Estimated Undepreciated Assets Closing Statement Dispute Notice (the “Pre-Closing Undepreciated Assets Resolution Period”), then the Undepreciated Assets Closing shall occur with Buyer paying Seller that portion of the Undepreciated Assets Purchase Price that is not in dispute, and the resolution of any remaining Estimated Undepreciated Assets Closing Statement Disputed Items shall be resolved pursuant to Section 2.12 and the Final Updated Undepreciated Assets Schedule delivered by Seller (as may be modified pursuant to the provisions of this Section 2.09(d)), shall be final for determining the Undepreciated Assets Purchase Price to be paid by Buyer at the Undepreciated Assets Closing, subject to the adjustment in Section 2.12(f) and in Section 5.05. Unless otherwise agreed in writing by Buyer and Seller, the Undepreciated Assets Closing shall not occur during the Pre-Closing Undepreciated Assets Resolution Period. Notwithstanding the foregoing, nothing in this Section 2.09(d) shall limit the right of Buyer or Seller to assert that any of the conditions in Section 6.01 or 6.02 have not been satisfied and, unless expressly waived by Buyer or Seller in writing, no action taken (or failed to be taken) by Buyer or Seller pursuant to this Section 2.09(d) shall be deemed to be a waiver of such conditions.

Notwithstanding anything to the contrary contained herein, if an Undepreciated Assets Closing does not occur and this Agreement is terminated, unless required by any Law, Governmental Authority or compelled by a court of competent jurisdiction, Buyer agrees to return to Seller, or certify to Seller that it has destroyed, any materials Seller provides to Buyer in connection with the Undepreciated Assets to be Transferred in connection with the Undepreciated Assets Closing under this Section 2.09(d).

(e) Updated Undepreciated Assets Cost Statement; Closing Statement Support. Concurrently with the delivery of the Estimated Undepreciated Assets Closing Statement for the applicable Undepreciated Asset Closing, Seller shall deliver to Buyer the Updated Undepreciated Assets Cost Statement and shall also provide Buyer with: (i) a detailed report of charges to or expenses involving the applicable Undepreciated Assets incurred by Seller in the ordinary course of ownership of such Undepreciated Assets from inception, taken into account in calculating the Undepreciated Assets Purchase Price set forth on the Estimated Undepreciated Assets Closing Statement, detailing, at a minimum, total direct labor, labor overhead, contractor/consultant,

material, general and administrative expenses and other charges, and attaching invoices, receipts, and other books, records and documentation supporting such expenses, and (ii) true and complete copies of all open purchase orders, together with a summary of major materials/contracting or consultant work purchased, amounts paid against open orders and balances owing against such orders.

(f) Prorations. To the extent permitted by applicable Law and the Regulatory Methodologies, the calculation of the undepreciated capital cost of any Undepreciated Asset pursuant to this Section 2.09 or Section 2.12 shall be made on the accrual basis of accounting, prorated from the end of the month immediately preceding the Undepreciated Assets Closing or, if available, the month immediately following, the Undepreciated Assets Closing.

Section 2.10 Closing Deliveries by Seller.

(a) At the Land Rights Closing, Seller shall deliver (or cause to be delivered) to Buyer:

(i) Each Conveyance Document, duly executed by Seller, necessary to Transfer the Seller Land Rights and for Buyer to assume the applicable Assumed Seller Land Rights Liabilities (and, subject to Section 2.06 hereof, by any other Person (other than Buyer) whose consent is necessary to so Transfer or assume);

(ii) a certificate of good standing of Seller in the State of New York;

(iii) a certificate of the secretary or other authorized officer of Seller, dated as of the Land Rights Closing Date, and certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller in connection with the transactions contemplated by this Agreement and any Conveyance Document, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement and any Conveyance Document;

(iv) the certificate required by Section 6.02(c);

(v) a completed certification of non-foreign status pursuant to Section 1.1445 2(b)(2) of the Treasury Regulations, duly executed by Seller;

(vi) any mortgage release(s), affidavits, indemnities and information as Buyer's title insurance company shall reasonably require in order to insure Buyer's title to the Seller Land Rights to be Transferred in accordance with this Agreement; and

(vii) all such other documents, agreements, instruments, writing and certificates as Buyer may reasonably request and as are necessary for Seller to satisfy its obligations hereunder.

(b) At the Undepreciated Assets Closing, Seller shall deliver (or cause to be delivered) to Buyer:

(i) Each Conveyance Document, duly executed by Seller, necessary to Transfer the applicable Undepreciated Asset and for Buyer to assume the applicable Assumed

Undepreciated Assets Liability (and, subject to Section 2.06 hereof, by any other Person (other than Buyer) whose consent is necessary to so Transfer or assume);

(ii) a certificate of good standing of Seller in the State of New York;

(iii) a certificate of the secretary or other authorized officer of Seller, dated as of the Undepreciated Assets Closing Date, and certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller in connection with the transactions contemplated by this Agreement and any Conveyance Document, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement and any Conveyance Document;

(iv) the certificate required by Section 6.02(c);

(v) a completed certification of non-foreign status pursuant to Section 1.1445 2(b)(2) of the Treasury Regulations, duly executed by Seller; and

(vi) all such other documents, agreements, instruments, writing and certificates as Buyer may reasonably request and as are necessary for Seller to satisfy its obligations hereunder.

Section 2.11 Closing Deliveries by Buyer.

(a) At the Land Rights Closing, Buyer shall deliver (or cause to be delivered) to Seller:

(i) the Land Rights Purchase Price, as calculated pursuant to Section 2.08, in cash, by wire transfer of immediately available funds, to an account or accounts as directed by Seller in writing prior to the Land Rights Closing Date;

(ii) each Conveyance Document provided for in Section 2.10(a), duly executed by Buyer;

(iii) a certificate of good standing of Buyer in the State of New York;

(iv) a certificate of the secretary or other authorized Person on behalf of Buyer, dated as of the Land Rights Closing Date, and certifying that attached thereto are true and complete copies of all resolutions adopted by the Board of Managers of Buyer in connection with the transactions contemplated by this Agreement, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement;

(v) the certificate required by Section 6.01(c); and

(vi) all such other documents, agreements, instruments, writings and certificates as Seller may reasonably request and as are necessary for Buyer to satisfy its obligations hereunder.

(b) At the Undepreciated Assets Closing, Buyer shall deliver (or cause to be delivered) to Seller:

- (i) the applicable Undepreciated Assets Purchase Price, as calculated pursuant to Section 2.09, in cash, by wire transfer of immediately available funds, to an account or accounts as directed by Seller in writing prior to the Undepreciated Assets Closing Date;
- (ii) each Conveyance Document provided for in Section 2.10(b), duly executed by Buyer;
- (iii) a certificate of good standing of Buyer in the State of New York;
- (iv) a certificate of the secretary or other authorized Person on behalf of Buyer, dated as of the Undepreciated Assets Closing Date, and certifying that attached thereto are true and complete copies of all resolutions adopted by the Board of Managers of Buyer in connection with the transactions contemplated by this Agreement, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement;
- (v) the certificate required by Section 6.01(c); and
- (vi) all such other documents, agreements, instruments, writings and certificates as Seller may reasonably request and as are necessary for Buyer to satisfy its obligations hereunder.

#### Section 2.12 Post-Closing Adjustment.

(a) No later than sixty (60) days after the Land Rights Closing, Seller shall cause to be prepared and delivered to Buyer a statement, prepared in the same format as the Estimated Land Rights Closing Statement (the "Land Rights Closing Statement"), as of the Land Rights Closing Date, of (i) the Land Rights Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and any Assumed Seller Land Rights Liability referenced in Section 2.01(i), (ii) the Fair Market Value of each NYES Project Land Right or category of Seller Land Rights Transferred to Buyer at the Land Rights Closing, as determined in accordance with Section 2.14 and the Regulatory Methodologies, and (iii) the Land Rights Purchase Price for the Seller Land Rights, as of the Land Rights Closing Date, calculated in accordance with Section 2.08.

(b) No later than sixty (60) days after the Undepreciated Assets Closing, Seller shall cause to be prepared and delivered to Buyer a statement, prepared in the same format as the Estimated Undepreciated Assets Closing Statement (the "Undepreciated Assets Closing Statement"), as of the Undepreciated Assets Closing Date, as applicable, of (i) the undepreciated capital cost of each Undepreciated Asset or category of Undepreciated Assets Transferred to Buyer at the Undepreciated Assets Closing, derived from the financial books and records of Seller and as of the end of the most recently completed calendar month immediately after the Undepreciated Assets Closing, and prepared in good faith in accordance with the Regulatory Methodologies, (ii) the Undepreciated Assets Closing Assumed Liability Amount, including the components thereof for each item of Indebtedness and any Assumed Undepreciated Assets Liability referenced in Section 2.02(c), and (iii) the Undepreciated Assets Purchase Price for the applicable Undepreciated Assets, as of the Undepreciated Assets Closing Date, calculated in accordance with Section 2.09. Concurrently with the delivery of the Undepreciated Assets Closing Statement for the Undepreciated Assets Closing, Seller shall deliver to Buyer the Updated Undepreciated Assets

Cost Statement as of such Undepreciated Assets Closing and shall also provide Buyer any update to the information specified in Section 2.09(e).

(c) Buyer shall have ten (10) Business Days from the date on which the applicable Closing Statement is delivered to it (the “Review Period”) to review the Closing Statement. Seller shall, and shall cause its Representatives to, upon request, provide Buyer with reasonable assistance in reviewing such statements, including by providing Buyer and its representatives with access to such information (including any books and records) and personnel and Representatives of Seller as Buyer may reasonably request in connection with its review and, subject to, in the case of independent accountant work papers, Buyer entering into a customary release agreement with respect thereto *provided* that Seller shall not be obligated to deliver any accountant work papers that such accounting firm does not consent to delivery thereof. Unless Buyer delivers written notice to Seller on or prior to the last day of the Review Period stating that it objects to any item or items shown or reflected on the Closing Statement (which objections may only be based on (i) manifest arithmetic error, (ii) any calculation not having been made in accordance with the Regulatory Methodologies, (iii) that any asset or Liability reflected on the Final Updated Schedule is not a Purchased Asset or Assumed Liability as defined in this Agreement and should not have been Transferred or assumed at the applicable Closing, (iv) that the charges or expenses incurred by Seller for any Purchased Asset or Assumed Liability that are reflected in the Land Rights Purchase Price or the Undepreciated Assets Purchase Price, as the case may be, were incorrectly billed or allocated to such Purchased Assets, or (v) that the Fair Market Value of any NYES Project Land Right contained in the Closing Statement is inconsistent with the Fair Market Value of such NYES Project Land Right in the regulatory filings approved by the NYPSC, and, in each case, providing a memorandum from Buyer’s legal counsel specifying in detail the item or items to which it objects and the reasons therefor, including applicable legal precedent (such item or items, the “Disputed Items” and such notice, the “Dispute Notice”), the Closing Statement shall be deemed accepted by Buyer and, without limiting Section 5.08, the calculations set forth therein shall be final, binding and conclusive for all purposes of determining the True-Up Payment Amount in Section 2.12(f), if any.

(d) In the event of delivery of a Dispute Notice by Buyer, senior executives of Buyer (including a Manager of Buyer not appointed by an Affiliate of Seller), on the one hand, and senior executives of Seller, on the other hand, shall attempt to resolve their differences arising from the Disputed Items, and any resolution agreed by them in writing shall be final, binding and conclusive for all purposes of determining the True-Up Payment Amount in Section 2.12(f), if any. In the event that, for any reason, such senior executives are unable to amicably resolve all their differences in writing within ten (10) days (or such longer period as the Parties may agree in writing) following receipt of a Dispute Notice (the “Resolution Period”), any remaining Disputed Item not agreed in writing by the Parties shall be, unless the Parties have mutually agreed in writing on an alternative method of resolution of the Dispute prior to the end of the Resolution Period, submitted to a partner or senior employee of PriceWaterhouseCoopers LLC (the “Independent Accountant”); provided, however, that any remaining Disputed Item related to any matter addressed in Section 2.12(c)(iii) shall not be submitted to the Independent Accountant and, in such case, any such Purchased Asset or Closing Assumed Liability Amount as reflected in the Closing Statement shall be final, binding and conclusive for all purposes of determining the True-Up Payment Amount in Section 2.12(f), if any; provided, further, however, nothing in the foregoing shall limit the right of Buyer to commence an Action pursuant to Section 9.12 to resolve any such

Disputed Item. If PriceWaterhouseCoopers LLC is unwilling or unable to serve as the Independent Accountant, each of Buyer and Seller will jointly select and retain a partner or senior employee of a nationally recognized accounting firm that is not the auditor or independent accounting firm of any of the Parties, who is a certified public accountant and is independent of the Parties and impartial, to serve as the Independent Accountant. If, after fifteen (15) days after the date PriceWaterhouseCoopers LLC informs the Parties that it is unable or unwilling to have a partner of the firm serve as the Independent Accountant, the Parties cannot mutually agree on an alternate arbiter, any Party may request the AAA to appoint as the Independent Accountant, within fifteen (15) days from the date of such request or as soon as practicable thereafter, a partner in an internationally recognized accounting firm that is not the auditor or independent accounting firm of any of the Parties, who is a certified public accountant and who is independent of the Parties and impartial. For the avoidance of doubt, the fact that any nationally recognized accounting firm serves as the auditor or independent accounting firm of any ultimate parent of a Member of Buyer (other than the Member appointed by an Affiliate of Seller) shall not by reason of such disqualify any partner or senior employee thereof from serving as the Independent Accountant. If, for any reason, the Parties are unable to agree on the Disputed Items within the Resolution Period, each of Buyer, on the one hand, and Seller, on the other hand, shall prepare separate written reports of such Disputed Items and deliver such reports to the Independent Accountant within twenty (20) days after the later of the expiration of the Resolution Period and the date the Independent Accountant is retained. The Parties shall use their respective reasonable efforts to cause the Independent Accountant to, acting as an expert, as soon as practicable and in any event, barring exceptional circumstances, within thirty (30) days after receiving such written reports, determine the manner in which the Disputed Items shall be treated in the Closing Statements; provided, however, that the dollar amount of each item in dispute shall be determined within the range of dollar amounts proposed by Buyer, on the one hand, and Seller, on the other hand. The Parties acknowledge and agree that (i) the review by and determination of the Independent Accountant shall be limited to, and only to, the unresolved Disputed Items contained in the reports prepared and submitted to the Independent Accountant by the Parties and (ii) the determinations by the Independent Accountant shall be based solely on such reports submitted by the Parties and the basis for each Party's respective positions. Each Party agrees to enter into an engagement letter with the Independent Accountant containing customary terms and conditions for this type of engagement. The Parties shall use their commercially reasonable efforts to cooperate with and provide information and documentation, including work papers, to assist the Independent Accountant. Any such information or documentation provided by any Party hereto to the Independent Accountant shall be concurrently delivered to the other Party hereto, subject, in the case of independent accountant work papers, to such other Party entering into a customary confidentiality and release agreement with respect thereto. None of the Parties shall disclose to the Independent Accountant, and the Independent Accountant shall not consider for any purposes, any settlement discussions or settlement offers made by any of the Parties with respect to any objection under this Section 2.12. The determinations by the Independent Accountant as to the Disputed Items shall be in writing and shall be an expert determination that is final, binding and conclusive for all purposes of determining the adjustments in this Section 2.12, if any, and such determination may be entered and enforced in any court of competent jurisdiction. The fees, costs and expenses of retaining the Independent Accountant shall be borne by Buyer, on the one hand, and Seller, on the other hand, in proportion to those matters submitted to the Independent Accountant that are resolved against Buyer, on the one hand, and Seller, on the other hand, and

the allocation of such fees, costs and expenses shall be so determined by the Independent Accountant.

(e) No later than the fifth (5th) Business Day immediately following the resolution of all Disputed Items (or, if there is no dispute, promptly after the Parties reach agreement on the Closing Statement), Seller shall revise the Closing Statement to reflect the resolution of any Disputed Items (as so revised, the “Final Closing Statement”) and shall deliver a copy thereof to Buyer. Buyer shall have five (5) Business Days from the date on which the Final Closing Statement is delivered to it to review the Final Closing Statement solely for purposes of confirming that such statements accurately reflect the prior resolution of all matters set forth in the Dispute Notice either by mutual agreement of the Parties or by the Independent Accountant, as applicable. The calculations of the Land Rights Purchase Price as provided for in Section 2.08, or the Undepreciated Assets Purchase Price as provided for in Section 2.09, as the case may be, and the amount of any True-Up Payment Amount pursuant to Section 2.12(f), once accepted by Buyer in the manner provided by the preceding sentence, shall be referred to as the “Final Statement.”

(f) Effective upon the end of the Review Period (if a timely Dispute Notice is not delivered), or upon the resolution of all matters set forth in the Dispute Notice either by mutual agreement of the Parties or by the Independent Accountant, the Parties shall make the following true-up payments:

(i) If the True-Up Payment Amount is positive, within two (2) Business Days of the determination thereof Buyer shall transfer to Seller the amount of such True-Up Payment Amount, together with interest thereon from and including the applicable Closing Date but not including the date of such transfer, computed at the Federal Funds Rate plus one hundred and fifty (150) basis points, by wire transfer of immediately available funds to an account or accounts designated in writing by Seller.

(ii) If the True-Up Payment Amount is negative, within two (2) Business Days of the determination thereof Seller shall transfer to Buyer an amount equal to the absolute value of such True-Up Payment Amount, together with interest thereon from and including the applicable Closing Date but not including the date of such transfer, computed at the Federal Funds Rate plus one hundred and fifty (150) basis points, by wire transfer of immediately available funds to an account or accounts designated in writing by Buyer.

(g) As used in Section 2.12(f) the “True-Up Payment Amount” shall mean an amount (which may be positive or negative) equal to the difference of the Land Rights Purchase Price or the Undepreciated Assets Purchase Price, as the case may be, reflected in the Final Statement, minus the Land Rights Purchase Price or the Undepreciated Assets Purchase Price, as the case may be, paid by Buyer to Seller at the applicable Closing.

(h) The Land Rights Purchase Price or the Undepreciated Assets Purchase Price, as the case may be, as reflected in the Final Statement, shall be allocated among the Purchased Assets Transferred to Buyer at the applicable Closing in accordance with applicable Tax Law.

### Section 2.13 Updating of Schedules.

(a) Subject to Section 2.13(f), from the date of this Agreement until the applicable Closing, Seller shall update and deliver to Buyer at least monthly (and, within forty-five (45) days prior to the expected applicable Closing Date, as promptly as practicable upon Seller becoming aware of any material matter addressed in (x) and (y) below that would require a Proposed Schedule Update), the Schedules referenced in Section 1.01 (Permitted Liens), Section 2.01 and Section 2.02, together with, solely to the extent necessary, any update to any of the Schedules referenced in Article III (each, a “Proposed Schedule Update”), (w) to add any item to Schedule 1.01 (Permitted Liens) pursuant to Section 2.13(f), (x) to reflect the acquisition of any asset that would constitute a Purchased Asset, the entry into any Contract that would constitute an Assumed Contract, the assumption of any Liability that would constitute an Assumed Liability, the taking of any action (or the failure to take any action) or the occurrence of any event, fact or circumstance, that would have been disclosed by Seller on such Schedules if such acquisition, entry, assumption, action, inaction, or occurrence had occurred prior to the date of this Agreement, and (y) to remove an item from any Schedule to correct any manifest error of any item listed on any such Schedule that does not correspond to the specific description of any of the Undepreciated Assets, Seller Land Rights, Assumed Undepreciated Assets Liabilities, or Assumed Seller Land Rights Liabilities or otherwise was not intended by the Parties to be a Purchased Asset or an Assumed Liability, or to correct the Land Rights Purchase Price or the Undepreciated Assets Purchase Price if not correctly calculated in accordance with the Regulatory Methodologies (collectively, an “Updated Disclosure Item”); provided, however, that, with respect to clause (x) above, without the consent of Buyer, Seller may only include an Updated Disclosure Item if such acquisition, entry, assumption, action, inaction or occurrence: (i) substantially corresponds to a specific description of any of the Undepreciated Assets contained in Section 2.02(a), or to a specific description of a NYES Project Land Right contained in Section 2.01(a), Section 2.01(b), Section 2.01(c), Section 2.01(d), Section 2.01(e), Section 2.01(f), Section 2.01(g) or Section 2.01(h); (ii) was in the ordinary course of the conduct, operation or use of the Undepreciated Assets or Seller Land Rights; and (iii) (A) did not arise out of or result from Seller breaching any provision of this Agreement or from Seller materially violating any applicable Law and (B) was not the result of the failure of Seller to conduct, operate or use the Undepreciated Assets reasonably and in accordance with Good Utility Practice.

(b) Buyer shall have ten (10) Business Days (five (5) Business Days if within forty-five (45) days prior to the expected applicable Closing Date) (any such period, the “Schedule Review Period”) to review the Proposed Schedule Update and each Updated Disclosure Item, including the Proposed Schedule Update that will be the Final Updated Land Rights Schedule to be delivered to Buyer pursuant to Section 2.08(c) and the applicable Final Updated Undepreciated Assets Schedule to be delivered to Buyer pursuant to Section 2.09(c). Seller shall, and shall cause its Representatives to, upon request, provide Buyer and its Representatives reasonable assistance in reviewing the Proposed Schedule Update, including providing Buyer and its Representatives with access to such information (including any books and records) and personnel and Representatives of Seller as Buyer may reasonably request in its review and, subject to, in the case of independent accountant work papers, Buyer entering into a customary release agreement with respect thereto.

(c) Unless Buyer delivers written notice to Seller (a “Schedule Dispute Notice”) on or prior to the last day of the Schedule Review Period stating that it objects to any Updated Disclosure Item contained therein, and specifying in reasonable detail the item or items to which it objects and the reasons therefor (such item or items, “Disputed Schedule Items”), the Proposed Schedule Update shall be deemed to have updated the applicable Schedules referenced in Section 1.01 (*Permitted Liens*), Section 2.01 and Section 2.02 and any of the Schedules referenced in Article III as specified in the Proposed Schedule Update (any such Schedule, an “Updated Schedule”).

(d) Subject to Section 2.13(f), in event of delivery of a Schedule Dispute Notice by Buyer, senior executives of Buyer (including a Manager of Buyer not appointed by an Affiliate of Seller), on the one hand, and senior executives of Seller, on the other hand, shall attempt to resolve their differences arising from the Disputed Schedule Items, and any resolution agreed by them in writing shall be deemed to have updated the applicable Schedules referenced in Section 1.01 (*Permitted Liens*), Section 2.01 and Section 2.02 and any of the Schedules referenced in Article III as specified in such writing (any such Schedule, also an “Updated Schedule”). In the event that, for any reason, such senior executives are unable to amicably resolve all their differences in writing within ten (10) days (or such longer period as the Parties may agree in writing) following receipt of a Schedule Dispute Notice (such period, the “Schedule Dispute Review Period”), Buyer shall have the right to commence an Action pursuant to Section 9.12 to resolve such Disputed Schedule Item; provided, however, that if Buyer does not exercise such right within ten (10) Business Days, any remaining Disputed Schedule Items after the Schedule Dispute Review Period shall be deemed to have updated the applicable Schedules referenced in Section 2.01 and Section 2.02 and any of the Schedules referenced in Article III as specified in the Proposed Schedule Update (any such Schedule, also an “Updated Schedule”).

(e) Notwithstanding anything in this Section 2.13 to the contrary, nothing in this Section 2.13 (i) shall limit Section 5.08 or (ii) shall effect or modify (A) the representations and warranties of Seller contained in Article IV or the closing condition in Section 6.02(a) except as expressly set forth in such Updated Schedule, or (B) the rights of Buyer under Section 2.08, Section 2.09, and Section 2.12, including the right to dispute items thereunder.

(f) Notwithstanding anything in this Section 2.13 to the contrary, any Proposed Schedule Update by Seller to update the Schedule referenced in Section 1.01 (*Permitted Liens*) to include a Lien as a scheduled Permitted Lien in clause (e) of the definition of Permitted Lien shall be subject to the approval of Buyer, in its sole discretion. If Buyer delivers a timely Schedule Dispute Notice pursuant to Section 2.13(c) with respect to such Proposed Schedule Update, such Proposed Schedule Update (with respect to the matters not approved by Buyer) shall not be deemed to be an Updated Schedule and such Lien giving rise to such Proposed Schedule Update shall not be considered a Permitted Lien. Nothing in the foregoing shall prevent the Seller Land Rights encumbered by such Lien from being a Deferred Asset or a Required Asset pursuant to Section 2.06.

(g) Any Updated Schedule made pursuant to and in compliance with this Section 2.13 shall be deemed to have updated the applicable Schedule set forth in such Updated Schedule as of the date of this Agreement for purposes of any representation and warranty made by the parties pursuant to Article III and Article IV.

Section 2.14 Seller Land Rights.

(a) Pursuant to and subject to the conditions of Section 5.01(a), prior to the Land Rights Filing Date, Seller shall have the right, in consultation with Buyer, to determine (i) which Land Rights owned, leased or otherwise held by Seller that are related to the NYES Project will be Transferred to Buyer, (ii) whether any such Land Right will be Transferred as a Fee Interest, a Lease, a License, an Easement, or Easement Apportionment, and (iii) whether any buildings, fixtures, structures and improvements erected or located owned or leased by Seller on any NYES Project Land Right and related to the NYES Project will be Transferred to Buyer or otherwise retained by Seller and, in each case, deliver a Proposed Schedule Update with respect to such determinations; provided, however, that, without the consent of Buyer, Seller may not include any Land Right or other asset pursuant to this Section 2.14(a) that is not related to the NYES Project. Notwithstanding anything in Section 2.13 to the contrary, Buyer shall not have the right to dispute any determination by Seller that is in compliance with this Section 2.14(a).

(b) Prior to the Land Rights Filing Date, Seller's Expert shall prepare a valuation report setting forth Seller's Expert's opinion of the Fair Market Value of the Seller Land Rights as of January 24, 2023 ("Seller's Valuation"). Seller's Valuation shall be delivered to Buyer within ten (10) days of receipt by Seller and shall be included in the filings with the NYPSC in connection with the approvals contemplated in Section 6.01(d) and Section 6.02(d).

(c) Prior to the Land Rights Filing Date, Buyer's Expert shall prepare a valuation report setting forth Buyer's Expert's opinion of the Fair Market Value of the Seller Land Rights as of October 19, 2022 ("Buyer's Valuation"). Buyer's Valuation shall be delivered to Seller within ten (10) days of receipt by Buyer and shall be included in the filings with the NYPSC in connection with the approvals contemplated in Section 6.01(d) and Section 6.02(d).

(d) Within ten (10) days after the later of delivery of Buyer's Valuation and delivery of Seller's Valuation, senior executives of Buyer (including a Manager of Buyer not appointed by an Affiliate of Seller), on the one hand, and senior executives of Seller, on the other hand, shall use their good faith efforts to resolve their differences arising from any variance in the Fair Market Value between Buyer's Valuation and Seller's Valuation within the following twenty (20) days, and any resolution agreed by them in writing shall be final, binding and conclusive for all purposes of determining the Fair Market Value of the Seller Land Rights, except as may be modified in an order by the NYPSC.

(e) In the event that, for any reason, Buyer and Seller are unable to amicably resolve all their differences in writing within the twenty (20) day period set forth in Section 2.14(d) above (or such longer period as the Parties may agree in writing), the President of Buyer and the Chief Financial Officer of Seller, shall resolve their differences arising from any variance in the fair market value between Buyer's Valuation and Seller's Valuation within the following twenty (20) days, and such resolution agreed by them in writing shall be final, binding and conclusive for all purposes of determining the Fair Market Value of the Seller Land Rights.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as of the date hereof and as of each Closing Date, unless otherwise specified, as follows:

Section 3.01 Organization and Good Standing. Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of New York and is duly qualified to do business and is in good standing in all jurisdictions in which the nature of its business or properties makes such qualification necessary. Seller has the necessary corporate power and authority to own its properties, to carry on its business as now being conducted.

Section 3.02 Authority. Seller has the right, power and authority to enter into this Agreement and each Conveyance Document and to perform its obligations hereunder and thereunder and, subject to the conditions set forth herein, to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Conveyance Document and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles, regardless of whether enforceability is sought in a proceeding in equity or at law (the "Bankruptcy and Equity Exceptions"). Each Conveyance Document when executed and delivered by Seller and the other Parties thereto, will constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with their terms subject to the Bankruptcy and Equity Exceptions.

Section 3.03 Consents and Approvals; No Conflict.

(a) Except for any required filings with and approvals of applicable Governmental Authorities (as set forth in Section 6.01(d) hereof) and the other approvals and notices identified on Schedule 6.02(e), no filing or registration with, and no Permit, authorization, consent, order or approval of, any Governmental Authority is necessary or required in connection with the execution and delivery of this Agreement, or any Conveyance Document by Seller or the consummation by Seller of the transactions contemplated hereby or thereby.

(b) Subject to making the filings and receipt of the approvals referenced in Section 3.03(a), neither the execution, delivery and performance of this Agreement and each Conveyance Document, nor the consummation of the transactions contemplated hereby and thereby will violate, breach or conflict with (or, in the case of clause (iii) below, give rise to a material default or right of cancellation, termination, acceleration or increased cost under or impose any Lien (other than a Permitted Lien) on), (i) the Organizational Documents of Seller, (ii) any Law applicable to Seller or any Affiliate of Seller or any of its or their respective assets or businesses or (iii) subject to obtaining the third party consents identified on Schedule 3.03(b) hereto, any material agreement or instrument applicable to or binding upon Seller or any of its

assets, except, in the case of clauses (ii) and (iii) above, for such violations, breaches, conflicts, defaults, rights, increased costs, or Liens that, individually or in the aggregate, are not reasonably expected to have a material adverse effect on the Buyer's development of the NYES Project, or prevent or materially delay, the consummation of the transactions contemplated hereby.

Section 3.04 Litigation. There are no actions, disputes, claims, suits, complaints, mediations, arbitrations, investigations or other proceedings pending before any Governmental Authority (excluding the Applicable Regulatory Authorities) or, to the Knowledge of Seller, threatened against or affecting Seller that relate to any Purchased Asset that would, if adversely determined, have a material adverse effect on the Purchased Assets or on Seller's ability to perform its obligations hereunder, under any Conveyance Document, or on the validity or enforceability of this Agreement, or any Conveyance Document.

Section 3.05 Purchased Assets.

(a) Subject to obtaining the consents in Section 3.03(b), Sections 6.01(d) and 6.02(d) and Schedule 6.02(e), immediately after the Land Rights Closing, to the Knowledge of Seller, Buyer's interest in the Seller Land Rights shall be free and clear of all Liens (other than Permitted Liens).

(b) As of the date of this Agreement and the Undepreciated Assets Closing Date, the Undepreciated Assets constitute all of the assets (other than any Seller Land Rights) that Seller and its Affiliates have developed, owned, leased or in which Seller has an interest as of such date that are related to the Undepreciated Assets, except for such assets that are expressly contemplated to be retained by Seller pursuant to Section 2.03.

(c) Subject to obtaining the Undepreciated Assets at the Undepreciated Assets Closing Date and the receipt of the approvals referenced in Section 3.03, Buyer will have the necessary rights to own the Undepreciated Assets immediately after the Undepreciated Assets Closing Date in a manner substantially consistent with Seller's ownership of the Undepreciated Assets immediately prior to the Undepreciated Assets Closing Date (subject to such changes resulting from any approval specified in Section 3.03(a) in any order by a Government Authority).

(d) Prior to and from the date of this Agreement through the Undepreciated Assets Closing Date, Seller has conducted, operated and used the Undepreciated Assets in accordance with Good Utility Practice, except for where the failure to do so would not reasonably be expected to have a material adverse effect on the Undepreciated Assets.

(e) Except as would not reasonably be expected to have a material adverse effect on the NYES Project, and subject to obtaining the consents in Section 3.03(b), immediately after the Undepreciated Assets Closing, Buyer will have good and valuable title to or a valid right to own the Undepreciated Assets so purchased free and clear of all Liens (other than Permitted Liens).

(f) Except as set forth on Schedules 3.05(f), 6.02(f), 3.03 (b) or Section 6.01(d) and 6.02(d) as of the Land Rights Closing Date (with respect to the Seller Land Rights) and the Undepreciated Assets Closing Date (with respect to the Undepreciated Assets), except for those rights granted by this Agreement or any Conveyance Document, no Person has any rights to

acquire, use or lease all or any portion of any Purchased Asset owned or otherwise held by Seller as of such dates, or obtain any interest therein (other than any rights pursuant to a Permitted Lien), and no Person has any outstanding options, rights of first refusal or first offer or rights of reverter, or any other similar rights with respect to any Undepreciated Assets and no Person has any outstanding options, rights of first refusal or first offer or rights of reverter, or any other similar rights with respect to any of the Seller Land Rights.

(g) To the Knowledge of Seller, there are no third-party occupations that materially restrict or interfere with Seller's existing operations on, in or under the Real Properties.

Section 3.06 Environmental Information. As of the date of this Agreement (with respect to any Purchased Assets identified and scheduled as of such date) and as of each applicable Closing Date, Seller has provided to Buyer all Environmental Information in its possession or under its control as of such dates that is related to the NYES Project (including any Seller Land Rights to be conveyed under this Agreement) or the Undepreciated Assets to be Transferred on the applicable Closing Date.

Section 3.07 Undepreciated Capital Cost; Closing Assumed Liability Amount.

(a) The undepreciated capital cost of each Purchased Asset or category of Purchased Assets (other than Seller Land Rights) contained in the Illustrative Estimated Signing Statement (i) was prepared in good faith by Seller and was derived from Seller's financial books and records, and (ii) presents fairly, in all material respects, the undepreciated capital cost of each such Purchased Asset or category of Purchased Assets as of the dates stated in the Illustrative Estimated Signing Statement. When delivered in accordance with the terms of this Agreement, the undepreciated capital cost of each Purchased Asset or category of Purchased Assets (other than Seller Land Rights) that will be contained in the Illustrative Estimated Signing Statement and the Closing Statement, (A) shall have been prepared in good faith by Seller and shall have been derived from Seller's financial books and records, and (B) shall present fairly, in all material respects, the undepreciated capital cost of each such Purchased Asset or category of Purchased Assets as of the dates stated in the Illustrative Estimated Signing Statement or the Closing Statement, as applicable.

(b) The Closing Assumed Liability Amount contained in the Illustrative Estimated Signing Statement for each item of Indebtedness and any Assumed Liability referenced in Section 2.01(i) and/or 2.02 (c), (i) was prepared in good faith by Seller and was derived from Seller's financial books and records and (ii) presents fairly, in all material respects, the Closing Assumed Liability Amount as of such dates stated in the Illustrative Estimated Signing Statement. When delivered in accordance with the terms of this Agreement, the Closing Assumed Liability Amount that will be contained in the Illustrative Estimated Signing Statement and the Closing Statement (A) shall have been prepared in good faith by Seller and shall have been derived from Seller's financial books and records and (B) shall present fairly, in all material respects, the Closing Assumed Liability Amount as of such dates stated in the Illustrative Estimated Signing Statement or the Closing Statement, as applicable.

Section 3.08 Compliance With Laws. Except as would not reasonably be expected to have a material adverse effect on the Undepreciated Assets, the conduct, operation and use of the Undepreciated Assets have been in compliance with all applicable Laws.

Section 3.09 Assumed Contracts.

(a) As of the date of this Agreement and the applicable Closing Date, each Assumed Contract to be assumed by Buyer at the applicable Closing , is a legal, valid and binding obligation of, and enforceable against Seller and, to the Knowledge of Seller, each other party thereto, and is in full force and effect in accordance with its terms, except for (i) terminations or expirations at the end of the stated term in the ordinary course of business consistent with past practice or (ii) such failures to be legal, valid and binding or to be in full force and effect that would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on the NYES Project, in each case, subject to the Bankruptcy and Equity Exceptions.

(b) As of the date of this Agreement and the applicable Closing Date, Seller is in compliance with all terms and requirements of each Assumed Contract, and no event has occurred, with notice or passage of time, or both that would constitute a breach or default by Seller under any such Assumed Contract, and, to the Knowledge of Seller, no other party to any Assumed Contract is in breach or default (or has any event occurred which, with the notice or the passage of time, or both, would constitute such a breach or default) under any Assumed Contract, except in each case where such violation, breach, default or event of default would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the NYES Project or on any rights, claims and warranties to be Transferred to and Accepted by Buyer with respect to such Assumed Contract.

(c) None of the Assumed Contracts purports to limit or otherwise restrict the ability of Buyer or any of the members of Buyer (or any of their respective Affiliates) in any material respects to compete or otherwise engage in any business or contains exclusivity or non-solicitation provisions (other than exclusivity with respect to non-solicitation provisions limited to the solicitation or hiring of the counterparties' employees that would be binding only to Buyer and not any member of Buyer or any of their respective Affiliates).

(d) No Affiliate of Seller is a party to any Assumed Contract or has any economic interests in any Assumed Contract separate from the interest of Seller in such Assumed Contract.

(e) Seller has, prior to the date of this Agreement, provided true and complete copies of each Assumed Contract existing as of the date of this Agreement and, prior to the applicable Closing Date, shall have provided true and complete copies of all Assumed Contracts as of such date.

## **ARTICLE IV**

### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller as of the date hereof and as of each Closing Date as follows:

Section 4.01 Organization and Good Standing. Buyer is duly organized, validly existing and in good standing under the laws of the State of New York and is duly qualified to do business and is in good standing in all jurisdictions in which the nature of its business or properties makes

such qualification necessary. Buyer has the necessary limited liability company power and authority to own its properties, to carry on its business as now being conducted and as proposed to be conducted.

Section 4.02 Authority. Buyer has the right, power and authority to enter into this Agreement and each Conveyance Document to which it is Party and to perform its obligations hereunder and thereunder and, subject to the conditions set forth herein, to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each Conveyance Document to which it is Party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to the Bankruptcy and Equity Exceptions. Each Conveyance Document to which it is Party, when executed and delivered by Buyer and the other Parties thereto, will constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their terms, subject to the Bankruptcy and Equity Exceptions.

Section 4.03 Consents and Approvals; No Conflict.

(a) Except for any required filings with and approvals of applicable Governmental Authorities (as set forth in Section 6.02(d) hereof) and the other approvals and notices identified on Schedule 6.02(e), no filing or registration with, and no permit, authorization, consent, order or approval of, any Governmental Authority is necessary or required in connection with the execution and delivery of this Agreement by Buyer or the consummation by Buyer of the transactions contemplated hereby or thereby.

(b) Subject to making the filings and receipt of the approvals in referenced in Section 4.03(a), neither the execution, delivery and performance of this Agreement and each Conveyance Document, nor the consummation of the transactions contemplated hereby and thereby, will violate, breach or conflict with (or, in the case of clause (iii) below, give rise to a material default or right of cancellation, termination, acceleration or increased cost under or impose any Lien on (other than a Permitted Lien)), (i) the Organizational Documents of Buyer, (ii) any Law applicable to Buyer or any Affiliate of Buyer or any of its or their respective assets or businesses, or (iii) any material agreement or instrument applicable to or binding upon Buyer or any of its assets, except, in the case of clauses (ii) and (iii) above, for such violations, breaches, defaults, rights, increased costs, or Liens that, individually or in the aggregate, are not reasonably expected to have a material adverse effect on, or prevent or materially delay, the consummation of the transactions contemplated hereby.

Section 4.04 Litigation. There are no actions, disputes, claims, suits, complaints, mediations, arbitrations, investigations or other proceedings pending before any Governmental Authority (excluding the Applicable Regulatory Authorities) or, to the Knowledge of Buyer, threatened against or affecting Buyer that would, if adversely determined, have a material adverse effect on the Purchased Assets or on Buyer's ability to perform its obligations hereunder or under any Conveyance Document, or on the validity or enforceability of this Agreement or any Conveyance Document to which it is a party.

Section 4.05 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN ARTICLE III, BUYER ACKNOWLEDGES THAT ALL OF THE PURCHASED ASSETS ARE BEING SOLD TO BUYER “AS IS”, “WHERE IS” AND “WITH ALL FAULTS” AND THAT SELLER IS NOT MAKING ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, INCLUDING WITH RESPECT TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT OF, OR TITLE TO, THE PURCHASED ASSETS, OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. BUYER IS A SOPHISTICATED PARTY AND HAS CONDUCTED ITS OWN DUE DILIGENCE INVESTIGATION OF THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES. ANY WARRANTIES PROVIDED BY MANUFACTURERS, ENGINEERS, LICENSORS OR OTHER THIRD PARTIES RELATED TO OR INCLUDED AMONG THE PURCHASED ASSETS DO NOT CONSTITUTE WARRANTIES OF SELLER AND SELLER MAKES NO REPRESENTATION OR WARRANTY REGARDING THE VALIDITY OR ENFORCEABILITY OF SUCH WARRANTIES.

## ARTICLE V

### COVENANTS

#### Section 5.01 Governmental and Other Consents and Approvals.

(a) Upon the terms and subject to the conditions of this Agreement, each of the Parties shall cooperate with the other and use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective, as soon as practicable after the date of this Agreement, the transactions contemplated by this Agreement and the Conveyance Documents. Without limiting the generality of the foregoing, upon the terms and subject to the conditions of this Agreement, from the date of this Agreement until the date of the Undepreciated Assets Closing, each of the Parties shall use commercially reasonable efforts to: (i) promptly prepare and file all necessary documentation to effectuate all necessary filings, applications, notices, petitions and other documents, and otherwise to seek and obtain (and take all such other actions as may be required or requested by any Governmental Authority to seek and obtain, including promptly complying with any reasonable information or document requests from any Governmental Authority) all authorizations, consents, approvals and orders of, or exemptions or non-oppositions by, any Governmental Authority required to be obtained or made by Seller or Buyer in connection with this Agreement or any Conveyance Document or the taking of any action contemplated hereby or thereby; (ii) avoid the entry of, or effect the dissolution of, any decree, order, judgment, injunction, temporary restraining order or other order in any suit or proceeding (each, an “Order”) that would otherwise have the effect of preventing or materially delaying the consummation of the transactions contemplated by this Agreement; and (iii) defend any lawsuits or other legal or regulatory proceedings, whether judicial or administrative, challenging this Agreement, any Conveyance Document or the transactions contemplated hereby or thereby, whether brought by a Governmental Authority or any third party. The Parties shall provide to any Governmental Authority notice of any actions under this Agreement that are required by applicable Law. In connection with the foregoing, Buyer shall have the right to review and approve in advance all characterizations of the information relating to the Purchased Assets or Buyer, on the one hand,

and Seller shall have the right to review and approve in advance all characterizations of the information relating to Seller or the Purchased Assets, on the other hand, which appear in any filing made with any Governmental Authority in connection with the transactions contemplated by this Agreement, such approvals not to be unreasonably withheld, delayed or conditioned, in each case in a manner that protects attorney-client or attorney-work-product privilege. The Parties shall consult with one another with respect to the obtaining of all such approvals of Governmental Authorities and shall keep each other informed of the status thereof. The Parties will coordinate and cooperate fully with each other in exchanging such information and providing such assistance as each may reasonably request of the other in connection with the foregoing. Notwithstanding the foregoing, no Party shall be required to take any action (or not take any action) pursuant to this Section 5.01(a) that would cause any conditions to closing of such Party in Article VI not to be satisfied.

(b) Each Party agrees to cooperate and use commercially reasonable efforts to assist the other Party in obtaining any consent and approval (other than any Governmental Approvals) that may be required to be obtained by such Party in connection with the transactions contemplated hereby (in accordance with Schedules 3.03(b) and 6.02(f)); provided, however, that Seller shall not be required to compensate any third party in any material amount, commence or participate in litigation or offer or grant any material accommodation (financial or otherwise) to any third party to obtain any such consent or approval unless Buyer agrees to compensate Seller for the costs incurred by Seller in connection therewith. Notwithstanding the foregoing, in the event any such consent or approval is required for any matter arising out of or related to: (i) Seller's breach by any agreement, covenant, representation or warranty in this Agreement, or (ii) any interest in the Real Properties granted by Seller in violation of Section 5.09, Seller shall be required to compensate Buyer for any additional costs imposed on Buyer to obtain any such third party consents attributable to and directly arising from any such breach.

#### Section 5.02 Access to Purchased Assets.

(a) Seller shall, from the date hereof until the Undepreciated Assets Closing Date, allow Buyer and its designees (subject to their compliance with Seller's safety and security procedures and provided they are accompanied by one or more escorts of Seller) access at reasonable times and places to any and all of the Purchased Assets for the purpose of inspecting the same, to the extent permitted by applicable Law, for any reasonable purpose related to this Agreement or any Conveyance Document; provided that any books and records or other information that is subject to an attorney-client or other legal privilege or obligation of confidentiality or non-disclosure shall not be made so accessible (provided that in any such event Seller shall notify Buyer in reasonable detail of the circumstances giving rise to any such privilege or obligation and use commercially reasonable efforts to seek to permit disclosure of such information, to the extent possible, in a manner consistent with such privilege or obligation). Notwithstanding anything to the contrary contained herein, if a Closing does not occur and this Agreement is terminated, unless required by any Law or Governmental Authority or compelled by a court of competent jurisdiction, Buyer agrees to return to Seller, or certify to Seller that it has destroyed, any materials Seller provides to Buyer in connection with this Section 5.02.

(b) Buyer shall indemnify, defend and hold harmless Seller and Seller Indemnified Parties from and against any and all Losses suffered or incurred by any of them as a

result of, or arising out of, such access, including for personal injury (including death) or damage to property (including under Environmental Law), except to the extent such Loss is the result of, or arising out of, the gross negligence or willful misconduct of any Seller Indemnified Party.

(c) Without limiting the foregoing, Buyer shall have the right, at its own cost and expense, to undertake Phase I and Phase II environmental investigations of the Purchased Assets prior to the Land Rights Closing. Subject to the performance by Seller of its obligations under this Agreement, Buyer shall use reasonable best efforts to conclude such investigations within one-hundred eighty (180) days after delivery by Seller to Buyer of substantially sufficient information regarding the Seller Land Rights necessary to commence such investigations. Seller shall reasonably cooperate with Buyer with respect to such investigations and shall provide to Buyer, at Buyer's request, readily available information in its possession to assist with such investigations, including information that may be necessary to properly conduct any surface or subsurface sampling at the Purchased Assets. Buyer shall indemnify and hold Seller harmless for any damage or loss caused by such investigations, excluding damages caused by Seller's negligence, intentional misconduct or failure to provide Buyer with readily available Environmental Information in its possession.

(d) Seller shall provide to Buyer all Environmental Information in its possession or under its control, or that comes into its possession or comes under its control, at any time after the date of this Agreement until the Land Rights Closing Date that is related to the NYES Project (including any Seller Land Rights to be conveyed under this Agreement) or the Undepreciated Assets Closing Date that is related to the Undepreciated Assets being Transferred at the Undepreciated Assets Closing Date.

Section 5.03 Title Insurance. Promptly after the date hereof or the receipt of an Updated Schedule with respect to any NYES Project Land Right, at Buyer's expense, Buyer shall obtain current ALTA surveys and a commitment from a title company authorized to do business in New York State to issue an owner's policy of title insurance insuring such Fee Interests to be acquired by Buyer (the "Title Insurance Commitments") and current ALTA surveys and reports of title (the "Title Reports") with respect to any NYES Project Land Right comprised of any Easements, Leases or Licenses to be acquired by Buyer. Seller shall reasonably cooperate with Buyer's efforts to obtain such ALTA surveys, Title Insurance Commitments and Title Reports. Buyer shall then have the right, in its sole discretion, on or before 5:00 pm on January 31, 2022 to make written objection (the "Objection Notice") to title or survey matters regarding any such NYES Project Land Right that are Liens (other than Permitted Liens) or any matters required to be cured or removed by the NYPSC or other Governmental Authority. Such notice must specify the reason such matter(s) are not satisfactory and the curative steps necessary to remove the basis for Buyer's disapproval of same. The Parties shall make such arrangements or take such steps as they shall mutually agree to satisfy Buyer's title objection(s); provided, however, that Seller shall reasonably cooperate with Buyer but shall have no obligation whatsoever to expend or agree to expend any funds, to undertake or agree to undertake any obligations, or otherwise to attempt to cure or agree to attempt to cure any objections, except such objections as are made with respect to (a) any matters first appearing of record after the Objection Notice and voluntarily created by Seller without the consent of Buyer, (b) any matters affecting title to such NYES Project Land Right which were not voluntarily created by Seller but which may be satisfied by the payment of money not to exceed the Purchase Price, or (c) any matters required to be cured or removed by the NYPSC or other

Governmental Authority (collectively, “Title Matters”). Notwithstanding the foregoing, Buyer shall be solely responsible for any and all costs, including reasonable administrative costs incurred by Seller in curing such Title Matters. Should Buyer and Seller fail to mutually satisfy Buyer’s objections before the applicable Closing, then Buyer may elect in writing to either accept such Title Matter or to treat such NYES Project Land Right as a Deferred Asset pursuant to Section 2.06, provided that no such election to treat such NYES Project Land Right as a Deferred Asset will be deemed to have caused the Closing conditions in Section 6.02(a), Section 6.02(f)(ii) or Section 6.02(j) to have been satisfied unless, after giving effect to the foregoing and the provisions of Section 2.06, Buyer, without being in breach of applicable Law or the applicable Contract, will be able to acquire the Seller Land Rights. Objections regarding Title Matters, other than any matters first appearing of record after the Objection Notice and voluntarily created by Seller without the consent of Buyer, (x) that are not included in a timely Objection Notice given by Buyer to Seller, or (y) to which a timely Objection Notice was given but which Buyer has agreed in writing to accept, shall be considered Permitted Liens.

#### Section 5.04 Casualty; Condemnation.

(a) Subject to Section 5.04(c), if any Purchased Asset is damaged by fire or other casualty at or prior to the applicable Closing for such Purchased Asset (a “Casualty Event”), such Purchased Asset shall be Transferred at the Closing and the Land Rights Purchase Price or the applicable Undepreciated Assets Purchase Price, as the case may be, shall not be adjusted; provided that (i) Buyer shall receive an assignment of all right, title and interest in and to any insurance proceeds relating to such Casualty Event (after deducting any costs and expenses incurred by Seller in connection with pursuing the underlying claim) and (ii) Seller shall remain liable to pay Buyer any additional amounts necessary (either as a consequence of the application of deductibles, self-insurance or otherwise of Seller) to complete restoration; provided, further, however, that Seller’s maximum obligation (including any insurance proceeds) to restore such Purchased Asset shall not exceed the undepreciated capital cost or Fair Market Value, as applicable, of such Purchased Asset, as reflected in the Final Statement.

(b) In the event that any Purchased Asset is subject to condemnation or taking by eminent domain in any Action settled, consented to or finally adjudicated prior to the applicable Closing Date, such Purchased Asset shall not be conveyed to Buyer at the Closing (and the Land Rights Purchase Price or the applicable Undepreciated Assets Purchase Price, as the case may be, shall be adjusted accordingly), and Seller shall be entitled to any compensation, payment or other relief in connection therewith; provided that an underlying Action shall be considered finally adjudicated when an order determining any compensation, payments or other relief to be paid with respect to such Action has been issued by a court of competent jurisdiction and has become nonappealable.

(c) Notwithstanding anything in Section 5.04(a) and Section 5.04(b) to the contrary, Buyer shall have the right to terminate this Agreement pursuant to Section 8.01(f) by giving a written termination notice to Seller no later than thirty (30) days following the Casualty Event if such Casualty Event has had a material adverse effect on the NYES Project.

Section 5.05 Use Relating to Land Rights Acquired Through Eminent Domain. To the extent that the Purchased Assets include Land Rights acquired by Seller through eminent domain

proceedings, then from and after the applicable Closing, Buyer shall maintain and use such Land Rights in a manner consistent with the public purpose for which the property was acquired.

**Section 5.06 Defense of Purchase Price.** If any action, dispute, claim, suit, complaint, investigation or other proceeding is made or commenced before FERC by any Person, FERC on its own behalf, or any other Governmental Authority behalf challenging or questioning the ability of Buyer to recover any part of the Purchase Price through its FERC-approved tariff, Seller will defend Buyer in or against such action, dispute, claim, suit, complaint, investigation, or proceeding at Seller's sole cost and expense, with counsel of recognized standing and competence reasonably acceptable to Buyer. Buyer will provide notice of any action, dispute, claim, suit, complaint, investigation, or other proceeding of which Buyer becomes aware in the same manner as described in Section 7.04 with respect to notices of Third Party Claims under Article VII. Buyer will have a right to appear and participate in the defense of any action, dispute, claim, suit, complaint, investigation, or other proceeding, and Seller will have an obligation to pay for legal fees and other costs incurred by Buyer in doing the same, as and to the extent described in Section 7.05(a) with respect to Third Party Claims. If it is determined by FERC or any other Governmental Authority of competent jurisdiction that Buyer is not able to recover any portion of the Purchase Price through its FERC-approved tariff, then the Purchase Price will be reduced by an amount equal to that portion of the Purchase Price not so recoverable.

**Section 5.07 Confidentiality.**

(a) Until the Undepreciated Assets Closing (or, if for any reason the sale and purchase of the Purchased Assets is not consummated, until the date that is three (3) years after the date on which this Agreement is terminated), Buyer shall hold, and shall cause its Representatives to hold, in strict confidence, and not to disclose or release or use, for any purpose other than as expressly permitted pursuant to this Agreement, any and all Confidential Information, without the prior written consent of Seller; provided that Buyer may disclose, or may permit disclosure of, Confidential Information (i) to those of its auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information for auditing, financial statement preparation and other non-commercial purposes, (ii) if required or compelled to disclose any such Confidential Information by judicial or administrative process or by other requirements of Law or stock exchange rule, (iii) to the extent necessary in connection with required or routine reporting to its potential or current members, partners and lenders or other financial or capital sources, or (iv) to the extent necessary in connection with any proposed merger, sale of assets, business combination, financing, or other similar transaction in which Buyer may become a party; provided that in each such case (other than the case of clause (ii) above), the recipients of such information are bound by professional obligation or written agreement to hold such information confidential at least to the same extent as Buyer is obligated under this Section 5.07, and provided, further, that Buyer shall in all events remain liable for any failure by such recipients to comply with such obligation.

(b) Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to Section 5.07(a), Buyer shall promptly notify Seller of the existence of such request or demand and shall, if not prohibited by applicable Law and reasonably practicable, provide Seller with thirty (30) days to seek an appropriate protective order or other remedy, which the Parties will use commercially reasonable efforts to

cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, Seller shall or shall cause Buyer to furnish, or cause to be furnished, only that portion of the Confidential Information that is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such information. With respect to regulatory requests received in the ordinary course, Buyer shall use at least the same degree of care (which in no event shall be less than reasonable care) in connection with demands or requests for the disclosure of Seller's Confidential Information as it uses to protect its own similar Confidential Information in connection with similar regulatory requests. In the event this Agreement is terminated for any reason and the sale and purchase of any Purchased Assets is not consummated, Buyer shall promptly destroy, and certify as to the destruction of, any and all Confidential Information in its possession, upon receipt of Seller's written request.

(c) Any Environmental Information Transferred to Buyer by Seller at the applicable Closing (or otherwise provided to Buyer by Seller) that contains any proprietary or Confidential Information shall be so Transferred or provided under a joint defense agreement between Buyer and Seller, in a form reasonably satisfactory to the Parties.

Section 5.08 Further Action. Until the Undepreciated Assets Closing, and subject to the terms and conditions of this Agreement, each Party (a) shall execute and deliver, or cause to be executed and delivered, such documents and other papers and shall take, or cause to be taken, such further actions as may reasonably be required to carry out the provisions of this Agreement and each Conveyance Document and give effect to the transactions contemplated hereby and thereby and (b) shall refrain from taking any actions that would reasonably be expected to impair, delay or impede the transaction contemplated by this Agreement. For two (2) years following the Land Rights Closing and for two (2) years following each applicable Undepreciated Assets, the Parties shall execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases and acquittances and such instruments, and shall take such reasonable actions as may be necessary or appropriate to make effective the transactions contemplated hereby as may be reasonably requested by the other Party, including using commercially reasonable efforts to (i) transfer back to Seller any asset or liability not contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which asset or liability was transferred to Buyer at Closing and (ii) transfer to Buyer any asset or liability contemplated by this Agreement to be a Purchased Asset or an Assumed Liability, respectively, which was not transferred to Buyer at the Closing; provided, however, that in either case, the Land Rights Purchase Price or the applicable Undepreciated Assets Purchase Price, as the case may be, paid in connection therewith is in an amount consistent with Section 2.08 or Section 2.09, as applicable.

Section 5.09 Future Grants. Seller, from the date hereof until the Undepreciated Assets Closing Date, shall not grant to any third-party any Easement, Lease or License or other right to use or occupy the Real Properties without Buyer's prior written consent. The foregoing shall not apply to any Easement, Lease or License or other right to use or occupy the Real Properties existing as of the date hereof.

Section 5.10 Van Wagner Easement Agreement. Without limiting the Conveyance Documents to be delivered at the Land Rights Closing, Seller shall execute and deliver to Buyer the Van Wagner Easement Agreement assigning all of Seller's right, title and interest in and to the Easements related to the NYES Project identified on Schedule 2.01(c).

Section 5.11 Milan Easement Agreement. Without limiting the Conveyance Documents to be delivered at the Land Rights Closing, Seller shall execute and deliver to Buyer the Milan Easement Agreement granting Buyer an Easement over the Fee Interests related to the NYES Project identified on Schedule 2.01(a).

Section 5.12 Milan Work. Seller hereby agrees that Buyer, in connection with the NYES Project, is authorized to remove, replace and relocate all Transmission Line Facilities comprising the Undepreciated Assets from: (a) an existing right-of-way owned by National Grid; and (b) a portion of real property owned by Seller subject to the Milan Easement (the “Milan Work”). Seller acknowledges that the Milan Work may be performed by Buyer pursuant to Buyer’s Article VII and the EM&CP. Seller hereby agrees to amend the Milan License Agreement or the Milan Easement, if necessary, to grant Buyer the right to perform the Milan Work on Seller’s real property prior to or after the Closing Date.

## ARTICLE VI

### CONDITIONS TO EACH CLOSING

Section 6.01. Conditions to Obligation of Seller. The obligation of Seller to consummate the transactions contemplated at each Closing shall be subject to the fulfillment or waiver by Seller in its sole discretion, at or prior to each Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on the applicable Closing Date with the same effect as if made on such Closing Date.

(b) Covenants. Buyer shall have performed and complied in all material respects with its covenants and agreements required by this Agreement to be performed or complied with by it at or prior to such Closing.

(c) Officer’s Certificate. An officer of Buyer shall have delivered a certificate dated as of such Closing Date signed by such officer on behalf of Buyer confirming the satisfaction of the conditions contained in subsections (a) and (b) of this Section 6.01.

(d) Governmental Approvals. The transactions contemplated at the applicable Closing shall have received the approval of the NYPSC under Section 70 of the New York State Public Service Law, in the form and substance reasonably satisfactory to Seller. If the NYPSC determines that it will not grant approval under Section 70 of the New York Public Service Law, or if such approval is in a form or substance not reasonably satisfactory to Seller, the Parties shall negotiate in good faith to revise this Agreement in accordance with any guidance provided by the NYPSC and, if mutually agreed to by the Parties, shall promptly re-submit such revised agreement, provided such re-submission is permitted by the NYPSC.

(e) Other Required Approvals. (i) All consents, approvals and permits listed on Schedule 6.02(e) shall have been obtained or received and (ii) all other consents, approvals and permits of a Governmental Authority (other than those identified in Schedule 6.02(e)) required to be obtained prior to the applicable Closing to transfer the applicable Purchased Assets shall have been obtained unless, in the case of this clause (ii), the failure to receive any such consents,

approvals and permits would not reasonably be expected to, individually or in the aggregate, be material in an adverse manner to Seller.

(f) No Governmental Order. (i) No Order entered by or with any Governmental Authority of competent jurisdiction that prohibits or materially restrains the consummation of the transactions contemplated at the applicable Closing shall have been issued and remain in effect and (ii) no applicable Law shall have been enacted or entered into law by any Governmental Authority that prohibits or makes illegal the consummation of the transactions contemplated at the applicable Closing.

(g) Closing Deliverables. Seller shall have received the certificates, documents and other items to be delivered to it pursuant to Section 2.11.

(h) Status of Undepreciated Assets. For the Undepreciated Assets Closing, but not the Land Rights Closing, the Undepreciated Assets shall have been De-Energized by Seller in compliance with Laws.

Section 6.02 Conditions to Obligation of Buyer. The obligation of Buyer to consummate the transactions contemplated at each Closing shall be subject to the fulfillment or waiver by Buyer in its sole discretion, at or prior to each Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on the applicable Closing Date with the same effect as if made on such Closing Date (except for any representation or warranty made as of a specific date, which shall be so true and correct in all material respects only as of such specific date).

(b) Covenants. Seller shall have performed and complied in all material respects with its covenants and agreements required by this Agreement to be performed or complied with by it at or prior to such Closing.

(c) Officer's Certificate. An officer of Seller shall have delivered a certificate dated as of such Closing Date signed by such officer on behalf of Seller confirming the satisfaction of the conditions contained in subsections (a) and (b) of this Section 6.02.

(d) Governmental Approvals. The transactions contemplated hereby shall have received the approval of the NYPSC under Section 70 of the New York State Public Service Law, to the extent required and under Section 70 of the New York State Public Service Law, to the extent required, in the form and substance reasonably satisfactory to Buyer. If the NYPSC determines that it will not grant approval under Section 70 of the New York Public Service Law, or if such approval is in a form or substance not reasonably satisfactory to Buyer, the Parties shall negotiate in good faith to revise this Agreement in accordance with any guidance provided by the NYPSC and, if mutually agreed to by the Parties, shall promptly re-submit such revised agreement, provided such re-submission is permitted by the NYPSC.

(e) Other Required Approvals. (i) All consents, approvals and permits listed on Schedule 6.02(e) shall have been obtained or received and (ii) all other consents, approvals and permits of a Governmental Authority (other than those identified in Schedule 6.02(e)) required to

be obtained prior to the applicable Closing to transfer the applicable Purchased Assets shall have been obtained unless, in the case of this clause (ii), the failure to receive any such consents, approvals and permits would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on the NYES Project.

(f) Release from Mortgage Indenture. All of the Purchased Assets (other than any immaterial assets) to be acquired in connection with the applicable Closing have been released from the Lien arising under any existing mortgage indenture, and Seller shall have provided Buyer with evidence reasonably satisfactory to Buyer of such release.

(g) No Governmental Order. (i) No Order entered by or with any Governmental Authority of competent jurisdiction that prohibits or materially restrains the consummation of the transactions contemplated at the applicable Closing shall have been issued and remain in effect and (ii) no applicable Law shall have been enacted or entered into law by any Governmental Authority that prohibits or makes illegal the consummation of the transactions contemplated at the applicable Closing.

(h) Title Insurance. Subject to Section 5.03, at the Land Rights Closing, Buyer shall have received (i) ALTA title insurance policies from one or more reputable national title insurance companies insuring Buyer's fee simple title, free and clear of all Liens (other than Permitted Liens) with respect to Fee Interests, and (ii) reports of title free and clear of all Liens (other than Permitted Liens) with respect to all other Seller Land Rights.

(i) Status of Undepreciated Assets. For the Undepreciated Assets Closing, but not the Land Rights Closing, the Undepreciated Assets shall have been De-Energized by Seller in compliance with Laws.

(j) Environmental Information. Seller shall have complied with its obligations under Section 5.02(d).

(k) Environmental Material Adverse Effect. Prior to the Land Rights Closing, Buyer shall have completed the Phase I and/or Phase II environmental investigations of the Purchased Assets pursuant to Section 5.02(c) and such investigations, together with any other Environmental Information provided by Seller to Buyer, have not identified any conditions with respect to the Purchased Assets which have had or would reasonably be likely to have had a material adverse effect on the NYES Project.

(l) Closing Deliverables. Buyer shall have received the certificates, documents and other items to be delivered to it pursuant to Section 2.10.

Section 6.03 Frustration of Closing Conditions. Neither Buyer, on the one hand, nor Seller, on the other hand, may rely on the failure of any condition set forth in this Article VI to be satisfied if such failure was caused by, or was the result of, its breach of this Agreement.

## ARTICLE VII

### INDEMNIFICATION

Section 7.01 Survivability. The representations and warranties of Seller and Buyer contained in or made pursuant to this Agreement or in any certificate furnished pursuant to this Agreement and all claims and cause of actions with respect thereto shall survive until the Survival Termination Date; provided that the representations and warranties and all claims and causes of actions with respect thereto contained in Sections 3.01, 3.02, 4.01, and 4.02 shall survive indefinitely to the maximum extent permitted by applicable Law. The covenants and agreements made pursuant to this Agreement or in any certificate furnished pursuant to this Agreement that contemplate actions to be taken or restrict certain actions from being taken at or prior to the applicable Closing shall be performed or complied with in their entirety at or prior to the applicable Closing, and all claims and causes of action made with respect thereto shall survive until the Survival Termination Date. The covenants and agreements made pursuant to this Agreement or in any certificate furnished pursuant to this Agreement that contemplate actions to be taken or restrict certain actions from being taken, in whole or in part, after the applicable Closing are to be performed or complied with in whole or in part following the applicable Closing and shall survive for the period provided in such covenants and agreements, if any, or until performed in accordance with their respective terms, and all claims and causes of actions with respect thereto shall survive for eighteen (18) months after such date. For purposes of this Agreement, the “Survival Termination Date” shall mean the date that is eighteen (18) months after the Undepreciated Assets Closing Date or, if this Agreement is terminated after the Land Rights Closing Date but prior to the Undepreciated Assets Closing Date, the date that is eighteen (18) months after the date the Agreement is so terminated. Notwithstanding the foregoing, if a claim notice meeting the requirements of Section 7.04 with respect to indemnification under this Article VII shall have been given pursuant to Section 9.03 within the applicable survival period, the representations, warranties, covenants and agreements that are the subject of such indemnification claim shall survive with respect to such claim notice until it is finally and fully resolved. The Parties expressly agree that the provisions of this Section 7.01 shall operate as a contractual statute of limitations.

Section 7.02 Seller Indemnification. From and after each applicable Closing, subject to the further provisions of this Article VII, Seller shall indemnify, defend and hold harmless Buyer and its officers, managers, members, employees, agents and representatives (collectively, “Buyer Indemnified Parties”) against and from any Loss actually incurred or suffered by Buyer Indemnified Parties to the extent arising out of or related to:

- (a) the breach of any representation or warranty made by Seller contained in this Agreement or in any Conveyance Document at the applicable Closing;
- (b) the breach or failure by Seller to perform, or cause to be performed, any of its covenants or obligations contained in this Agreement;
- (c) subject to Section 7.02(d), any Excluded Liability; and
- (d) any Excluded Environmental Liability.

Section 7.03 Buyer Indemnification. From and after each applicable Closing, subject to the further provisions of this Article VII, Buyer shall indemnify, defend, and hold harmless Seller and its officers, directors, trustees, equity holders, employees, agents and representatives (collectively, "Seller Indemnified Parties") against and from any Loss actually incurred or suffered by Seller Indemnified Parties to the extent arising out of or related to:

(a) the breach of any representation or warranty made by Buyer contained in this Agreement or in any Conveyance Document at the applicable Closing;

(b) the breach or failure by Buyer to perform, or cause to be performed, any of its covenants or obligations contained in this Agreement;

(c) subject to Section 7.03(d), any Assumed Liability, except to the extent Seller is obligated to indemnify Buyer pursuant to Section 7.02(a) (without giving effect to Section 7.01) or Section 7.02(d); and

(d) any Assumed Environmental Liability, except to the extent Seller is obligated to indemnify Buyer pursuant to Section 7.02(a) (without giving effect to Section 7.01) or Section 7.02(d).

Section 7.04 Notification of Claim. A Person that may be entitled to indemnification hereunder (the "Indemnified Party") shall promptly notify the Party liable for such indemnification (the "Indemnifying Party") in writing of any pending or threatened claim or demand that the Indemnified Party has determined has given or would reasonably be expected to give rise to a right of indemnification hereunder (including a pending or threatened claim or demand asserted by a third party against the Indemnified Party, such claim being a "Third Party Claim"), describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or demand; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from its obligations under this Article VII except to the extent that the Indemnifying Party is actually prejudiced by such failure.

Section 7.05 Indemnification Procedures.

(a) Third Party Claim. Upon receipt of notice of a claim for indemnity from an Indemnified Party pursuant to Section 7.04, the Indemnifying Party shall have the right to assume the defense and control any Third Party Claim, but shall allow the Indemnified Party a reasonable opportunity to participate in the defense of such Third Party Claim with its own counsel and at its own expense; provided that if (i) the Indemnifying Party and the Indemnified Party are both named parties to the proceedings and, in the reasonable opinion of counsel to the Indemnified Party, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, or (ii) in the reasonable opinion of counsel to the Indemnified Party, such Third Party Claim involves the potential imposition of criminal liability on the Indemnified Party, then, in each such case, the applicable Indemnified Parties shall be entitled to participate in any such defense with one separate counsel at the reasonable expense of the Indemnifying Party. The Indemnifying Party shall select counsel of recognized standing and competence after consultation with the Indemnified Party and shall take all reasonably necessary steps in the defense or settlement of such Third Party Claim. The Indemnifying Party shall be

authorized to consent to a settlement of, or the entry of any judgment arising from, any Third Party Claim, without the consent of any Indemnified Party, provided that the Indemnifying Party shall (A) pay or cause to be paid all amounts arising out of such settlement or judgment concurrently with the effectiveness of such settlement, (B) not encumber any of the material assets of any Indemnified Party or agree to any restriction or condition that would apply to or materially adversely affect any Indemnified Party or the conduct of any Indemnified Party's business, (C) obtain, as a condition of any settlement or other resolution, a complete release of any Indemnified Party potentially affected by such Third Party Claim and (D) ensure that the settlement does not include any admission of wrongdoing or misconduct.

(b) Non-Third Party Claims. In the event any Indemnifying Party receives a notice of a claim for indemnity from an Indemnified Party pursuant to Section 7.04 that does not involve a Third Party Claim, the Indemnifying Party shall notify the Indemnified Party within thirty (30) days following its receipt of such notice if the Indemnifying Party disputes its liability to the Indemnified Party under this Article VII. If the Indemnifying Party does not so notify the Indemnified Party, then the claims specified by the Indemnified Party in such notice shall be conclusively deemed to be a liability of the Indemnifying Party under this Article VII, and the Indemnifying Party shall pay the amount of such liability to the Indemnified Party on demand or, in the case of any notice in which the amount of the claim (or any portion of the claim) is estimated, on such later date when the amount of such claim (or such portion of such claim) becomes finally determined. If the Indemnifying Party has timely disputed its liability with respect to such claim as provided above, then the Indemnifying Party and the Indemnified Party shall resolve such dispute in accordance with Section 9.10.

(c) Environmental Claims. Notwithstanding any provision in Section 7.05(a) or Section 7.05(b) to the contrary, the provisions of this Section 7.05(c) shall apply as to Seller's indemnification of Buyer under Section 7.02(a) (but only with respect to matters arising under Section 3.06) and Section 7.02(d) and Buyer's indemnification of Seller under Section 7.03(d) (collectively, "Environmental Claims").

(i) Neither Seller nor Buyer shall have any indemnity obligations under this Article VII for any Environmental Claims unless Buyer or Seller, as applicable, has provided written notice of a pending or threatened Environmental Claim.

(ii) In addition to providing notice of Environmental Claims as required under Section 7.04, each Party shall keep the other reasonably informed of the progress of all such Environmental Claims, shall promptly supply the other Party with copies of all material information, documentation and correspondence relating thereto and shall engage in exchanges of material information or material negotiations with any Person in relation to an Environmental Claim only after exercising reasonable best efforts to consult with the other Party (the other Party to make itself reasonably available without delay as to the same).

(iii) Seller shall have the right, but not the obligation, to assume the defense or control of or settle any Environmental Claim, or to undertake any associated investigative, remedial or corrective action or monitoring at the Real Properties (collectively, "Environmental Response"), with counsel, consultants or contractors

selected by Seller (to be reasonably acceptable to Buyer), provided that Seller shall, to the extent relevant to Buyer's ownership and removal of the Undepreciated Assets, (A) keep Buyer reasonably informed of the foregoing, (B) promptly provide Buyer with any material information, documentation and correspondence relating to the Environmental Claim or Environmental Response and (C) exercise reasonable efforts to consult with Buyer prior to exchanges of material information or material negotiations with any Person (Buyer to make itself reasonably available and without delay as to same); provided, that Buyer may assume control of the Environmental Response if Seller has been grossly negligent in its performance of the Environmental Response, such negligence has an adverse effect on the Undepreciated Assets or the Seller Land Rights and Seller fails to cure such gross negligence or such adverse effect after reasonable notice.

(iv) As consideration for Seller's responsibilities herein, Buyer fully acknowledges and agrees that it shall not interfere with, impede or hinder in any material way, Seller's management of any Environmental Claim or Environmental Response, except that Seller may not consent to any material limitation that would adversely affect the ownership or removal of the Undepreciated Assets without the prior written consent of Buyer (not to be unreasonably withheld).

(v) To the extent Seller has chosen, at its discretion, to undertake any Environmental Response, Buyer shall, and shall cause its Representatives to, provide Seller with reasonable access to such asset or property and permit Seller to undertake such Environmental Response at reasonable times, on reasonable advance written notice and without unreasonable interference with the Undepreciated Assets. Buyer agrees that it will not unreasonably interfere with or disturb Seller's performance of such Environmental Response. Promptly upon completion of any Environmental Response undertaken by Seller, Seller shall use its commercially reasonable efforts to restore any adversely affected portion of the assets or properties of Buyer (including the Land Rights) to their pre-disturbed condition.

(vi) Seller shall have no obligation for any Environmental Claim to the extent that the Loss for which Buyer is seeking indemnification directly or indirectly relates to, arises out of or results from (i) any change in the use of all or part of any Seller Land Rights from that permitted by the applicable Conveyance Document granting the Seller Land Rights or (ii) any investigation, clean-up, remedial or similar activity other than as required to comply with the minimum applicable standards acceptable to the applicable Governmental Authority under Environmental Law in effect and enforceable as of the Closing Date.

Section 7.06 Net Recovery. With respect to each indemnification obligation contained herein or in any Conveyance Document, all Losses shall be net of any third-party insurance proceeds that have been recovered by the Indemnified Party in connection with the facts giving rise to the right of indemnification.

Section 7.07 No Consequential Damages. In no event shall a Party be liable for any consequential, special, indirect, incidental or punitive damages, lost profits or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, or similar items arising

out of or related to this Agreement, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability, except, in each case, any such damages actually paid to any un-Affiliated claimant in respect of a Third Party Claim paid in accordance with this Agreement.

Section 7.08 Maximum Liability. Notwithstanding anything else in this Agreement to the contrary (including Sections 7.02 and 7.03), except in the event of intentional fraud in connection with this Agreement, the maximum liability of any Party under this Article VII shall be, from and after the Land Rights Closing until the consummation of the Undepreciated Assets Closing, the aggregate Purchase Price paid and received at all Closings that have occurred prior to the applicable date of determination and, from and after the Undepreciated Assets Closing, the aggregate Purchase Price paid and received at all Closings, in each such case, after giving effect to the adjustments, if any, in Section 2.12(f).

Section 7.09 Exclusive Remedy. Subject to the next sentence, and except as provided in Section 5.02(b), Section 8.03, Section 9.02, Section 9.14 and in the event of fraud in connection with this Agreement, following the Land Rights Closing, the indemnification provisions of this Article VII shall be the sole and exclusive remedies of the Parties for any Losses or otherwise that each may suffer or incur or become subject to, as a result of, or in connection with any breach of any representation or warranty in this Agreement by the other Party or any failure by the other Party to perform or comply with any covenant or agreement herein. Notwithstanding anything herein to the contrary, no breach of any representation or warranty or any covenant or agreement contained in this Agreement shall give rise to any right on the part of either Party hereto to rescind this Agreement or any of the transactions contemplated hereby.

## ARTICLE VIII

### TERMINATION

Section 8.01 Termination. This Agreement may be terminated, and the transactions contemplated hereby abandoned, at any time prior to the Undepreciated Assets Closing as follows:

- (a) by mutual written consent of Seller and Buyer;
- (b) by Buyer or Seller, if the Undepreciated Assets Closing shall not have occurred by December 31, 2023 (the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section 8.01(b) shall not be available to any Party whose breach of a representation, warranty, covenant or agreement under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur by such date;
- (c) by Buyer, if there shall be a breach or violation of any representation or warranty or covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 6.01 and which breach has not been cured (to the extent necessary to avoid a failure of such condition) prior to the earlier of (i) the Business Day prior to the Termination Date or (ii) the date that is thirty (30) days from the date that Seller is notified in writing by Buyer of such breach; provided that Buyer shall not have a right to terminate this Agreement under this Section 8.01(c) if Buyer has breached or violated any of its representations,

warranties or agreements contained in this Agreement and such breach or violation would have resulted in a failure of a condition set forth in Section 6.02;

(d) by Seller, if there shall be a breach or violation of any representation or warranty or covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 6.02 and which breach has not been cured (to the extent necessary to avoid a failure of such condition) prior to the earlier of (i) the Business Day prior to the Termination Date or (ii) the date that is thirty (30) days from the date that Buyer is notified in writing by Seller of such breach; provided that Seller shall not have a right to terminate this Agreement under this Section 8.01(d) if Seller has breached or violated any of its representations, warranties or agreements contained in this Agreement and such breach or violation would have resulted in a failure of a condition set forth in Section 6.01;

(e) by Buyer or Seller, if a Governmental Authority of competent jurisdiction shall have enacted, enforced or entered any Law, or a final non-appealable Order of any Governmental Authority of competent jurisdiction shall be in effect, that materially prohibits or restrains the consummation of the transactions contemplated by this Agreement and Buyer is unable to obtain the requisite approvals to overcome such prohibition or restriction within a reasonable period of time, not to exceed sixty (60) days after any such enactment, enforcement or entry occurs, or such Order is issued;

(f) by Buyer pursuant to Section 5.04(c); and

(g) by reason of Buyer's failure to complete development and construction of the NYES Project as set forth in Section 8.04.

Section 8.02 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 8.01 shall give written notice of such termination to the other Party pursuant to Section 9.03.

Section 8.03 Effect of Termination.

(a) In the event this Agreement is terminated pursuant to Section 8.01 prior to the Land Rights Closing, this Agreement shall forthwith become void and there shall be no liability on the part of any Party, except that the provisions of Section 5.02(b), Section 5.07, this Section 8.03 and Article IX shall survive termination; provided, however, that nothing herein shall relieve either Seller or Buyer from liability for any willful breach of, or willful failure to perform its obligations under, this Agreement.

(b) In the event this Agreement is terminated pursuant to Section 8.01 after the Land Rights Closing but prior to the Undepreciated Assets Closing, all provisions in this Agreement related to the Undepreciated Assets to be Transferred at any Closing that has not yet occurred (including any covenants and agreements of either Party to be performed prior to, at or after any such Closing or any representations and warranties, in each case, with respect to such Undepreciated Assets) shall forthwith become void, and there shall be no liability on the part of any Party with respect to such provisions or such Undepreciated Assets arising under this Agreement, except that the provisions of Section 5.02(b), Section 5.07, this Section 8.03 and Article IX shall survive termination with respect to the foregoing; provided, however, that nothing

herein shall relieve either Seller or Buyer from liability for any willful breach of, or willful failure to perform its obligations under, this Agreement with respect to such provisions or such Undepreciated Assets (it being understood and agreed that the provisions of Article VII shall not govern any such claim with respect to such provisions or such Undepreciated Assets); provided, further, that nothing in the foregoing shall affect the validity of the Transfer of those Purchased Assets that were Transferred at any prior Closing, or modify or otherwise affect the rights and the obligations of the Parties under any covenant, agreement, representation or warranty with respect to such Purchased Assets or the transactions taken at or prior to any such prior Closing with respect thereto.

Section 8.04 Extension; Waiver. At any time prior to any Closing, either Seller or Buyer may (a) extend the time for performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any of the agreements or conditions contained in this Agreement but such waiver of compliance with such agreements or conditions shall not operate as a waiver of, or estoppels with respect to, any subsequent or other failure. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party granting such extension or waiver.

## **ARTICLE IX**

### **MISCELLANEOUS**

Section 9.01 Force Majeure. Any delay or failure by either Party to perform its respective obligations under this Agreement will be excused to the extent directly attributable to floods, fire, explosion, riot, war, terrorist act, act of a public enemy, pandemic, epidemic, pestilence, any order or injunction of any court or other Governmental Authority of competent jurisdiction (including the military and executive orders of the President, governors, and mayors), labor strikes or any other act of God or other cause beyond a Party's reasonable control (each of the foregoing, a "Force Majeure Event"), but only to the extent that (i) the act or event is beyond the reasonable control of the Party whose performance is prevented; (ii) the affected Party uses commercially reasonable efforts to prevent, avoid, and/or mitigate the effects of the Force Majeure Event; and (iii) prompt notice (within five (5) Business Days of discovery by the affected Party) is given by the affected Party to the other Party identifying the Force Majeure Event and describing in reasonable detail known at the time the extent to which the affected Party's performance is delayed or prevented by the same. Subject to the other provisions of this Agreement, the time for performance of the affected obligation will be extended for a period of time reasonably necessary to overcome the effect of the Force Majeure Event. An affected Party will provide reasonable updates of the status, impact, and resolution of a Force Majeure Event until the same has been resolved. Neither Party will be excused by a Force Majeure Event from performance of any obligation that is not affected by such Force Majeure Event or a resulting impact on performance by the affected Party. Failure of an affected Party to provide the other Party with timely notice of a Force Majeure Event will constitute a waiver of the affected Party's right to invoke the application of this Section to excuse the delay of the affected Party's performance of any obligation of this Agreement on account of such Force Majeure Event, but only for the period of time that the timely notice was not provided.

Section 9.02 Expenses. Except as expressly provided for otherwise in this Agreement or any Conveyance Document:

(a) All reasonable and documented costs and expenses of Seller incurred or accrued prior to the applicable Closing Date (including the cost and expense of Seller's Expert and Seller's outside counsel) in connection with the NYES Project, preparing the Purchased Assets for Transfer, including any such costs associated with obtaining consents or approvals pursuant to Section 5.01(a) or Section 5.01(b), and costs incurred curing any Title Matters pursuant to Section 5.03 shall be paid by Buyer at the applicable Closing Date (or pursuant to the adjustment in Section 2.12) and included in the Land Rights Purchase Price or the Applicable Undepreciated Assets Purchase Price, as the case may be; provided that such costs and expenses (i) arose out of or were associated with any Purchased Asset reflected on the Schedules to Section 2.01 or Section 2.02 or any Assumed Liability described in Section 2.04 or in any Updated Schedule pursuant to Section 2.13 unless such costs and expenses were accrued and incurred after the preparation of the Final Updated Schedule and prior to the applicable Closing (but otherwise would satisfy the requirements of an Updated Schedule).

(b) Except as provided in Section 9.02(a) above, all costs and expenses, including fees and disbursements of any financial advisers and accountants, incurred in connection with negotiating, drafting, executing, amending, revising, or otherwise modifying this Agreement or in connection with any dispute, controversy, claim, arbitration or claim for indemnification arising out of this Agreement, or any Conveyance Document and the transactions contemplated thereby, shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

Nothing in this Section 9.02 shall (A) affect the indemnification rights of any Indemnified Party under Article VII, or (B) affect the liability of any Party for any willful breach or willful failure to perform its obligations under this Agreement in the event this Agreement is terminated.

Section 9.03 Notices. Any notice, request, instruction or other communication to be given to a Party pursuant to this Agreement shall be in writing signed by or on behalf of the Party giving it and may be served by hand delivery, by delivering it by courier or sending it by email, facsimile (with confirmation of transmission) or by prepaid recorded airmail delivery to the address of the Party to receive it set forth below (or to such other address as such Party shall have specified by a notice given to the other in accordance with this Section 9.03). Any notice so served by courier, email, fax or post shall be deemed to have been duly served: (a) when delivered, if sent by hand delivery or courier; (b) at the time of transmission, if sent by email or facsimile; and (c) upon receipt, if sent by prepaid recorded airmail delivery or regulated airmail post on receipt; provided that any notice received on a day that is not a Business Day, or after 5:00 p.m. (New York City time) on a Business Day, shall be deemed to be received on the next following Business Day. Each Party to whom a communication is sent hereunder has the obligation to accept delivery of such communication. Such communications, to be valid, must be addressed as set forth below:

**If to Seller, to:**

CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
Central Hudson Gas & Electric Corporation

Ryan Hawthorne  
Vice President Electric Engineering and Operations  
284 South Avenue  
Poughkeepsie, New York 12601  
Email: rhawthorne@cenhud.com

**With a copy to:**

Central Hudson Gas & Electric Corporation  
Paul A. Colbert  
Associate General Counsel-Regulatory Affairs  
284 South Avenue  
Poughkeepsie, New York 12601  
Email: pcolbert@cenhud.com

**If to Buyer, to:**

New York Transco LLC  
1 City Centre  
Hudson, New York 12534  
Attn: Victor Mullin, President  
Email: Victor.Mullin@NYTransco.com

**With a copy to:**

Kathleen Carrigan  
General Counsel, New York Transco LLC  
1 City Centre  
Hudson, New York 12534  
Email: Kathleen.Carrigan@NYTransco.com

Section 9.04 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 9.05 Entire Agreement. This Agreement constitutes the entire agreement of Seller, on the one hand, and Buyer on the other, with respect to the subject matter thereof and supersede all prior agreements, undertakings and understandings, both written and oral, with respect to such subject matter.

Section 9.06 Rules of Interpretation. This Agreement and the Conveyance Documents shall be construed and interpreted as follows, unless otherwise expressly stated herein or therein: (i) the singular number includes the plural number and vice versa; (ii) reference to any Person includes such Person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually; (iii) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (iv) reference to any Law (other than Environmental Law) means such Law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time; (v) reference to any Article, Section, Exhibit, Schedule or other attachment means such Article or Section of, or Exhibit, Schedule or attachment to, this Agreement or of another specifically identified agreement; (vi) "hereunder," "hereof," "herein," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article or other provision hereof; (vii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; (viii) relative to the determination of any period of time, "from" means "from and including," "to" means "to but excluding" and "through" means "through and including"; (ix) the words "Accept," "Affiliate," and "Transfer" shall include any correlative definitions; and (x) the word "or" shall not be exclusive. Whenever the last day for the exercise of any right or the discharge of any duty under this Agreement falls on a day other than a Business Day, the Party hereto having such right or duty shall have until the next Business Day to exercise such right or discharge such duty.

Section 9.07 Assignment. This Agreement may not be assigned without the prior written consent of Seller and Buyer, except that a Party may assign this Agreement to any Affiliate and that, following the Closing, Buyer may assign this Agreement to its sources of financing as collateral security; provided that Buyer will promptly notify Seller of any such assignment and no such assignment shall release Seller or Buyer from any liability or obligation hereunder (nor shall a Party's obligations be enlarged by reason thereof). Any attempted assignment in violation of this Section 9.07 shall be null and void ab initio. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties and their permitted successors and assigns. For the avoidance of doubt, any merger, conversion or consolidation of a Party by operation of law shall not constitute an assignment under this Agreement.

Section 9.08 No Third Party Beneficiaries. Except as provided in Article VII with respect to Seller Indemnified Parties and Buyer Indemnified Parties, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever.

Section 9.09 Amendment. Except as provided in Section 2.08(c), Section 2.09(c) and Section 2.13, no provision of this Agreement (including any Exhibits, Schedules or attachments hereto) may be amended, supplemented or modified except by a written instrument making specific reference hereto and thereto, signed by all parties to such agreement. No consent from any Indemnified Party under Article VII (other than the Parties) shall be required in order to amend this Agreement.

Section 9.10 Dispute Resolution Process. Except as provided in Section 2.08, Section 2.09, Section 2.13 and Section 2.14 and with respect to any request for equitable relief (including interim relief) by either Party on or prior to the Closing Date, any dispute, controversy or claim arising out of or relating to the transactions contemplated by this Agreement or the validity, interpretation, breach of termination thereof, including claims seeking redress or asserting rights under any Law (a “Dispute”) shall be resolved in accordance with the procedures set forth in Article XII of the LLCA as though Seller and Buyer were the “relevant parties” thereunder. Until completion of such procedures, no Party may take any action to force a resolution of a Dispute by any judicial or similar process, except to the limited extent necessary to (i) avoid expiration of a claim that might eventually be permitted by this Agreement or (ii) obtain interim relief, including injunctive relief, to preserve the status quo or prevent irreparable harm.

Section 9.11 Governing Law. This Agreement and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any choice of Law of conflict of Law rules or provisions (whether of the State of New York or of any other jurisdiction) that would cause the application of Laws of any jurisdiction other than the State of New York.

Section 9.12 Submission to Jurisdiction, Service of Process. Subject to Section 2.12, Section 2.14 and Section 9.10, each Party irrevocably and unconditionally (a) consents to submission to the exclusive jurisdiction of the courts of the State of New York located in New York County and of the federal courts of the United States of America located in the State of New York, County of New York (the “New York Courts”), for any action, claim, complaint, investigation, petition, suit or other proceeding, whether in contract or tort, in law or equity arising out of or relating to this Agreement or the breach (threatened breach), termination or validity thereof and the transactions contemplated thereby (“Action”), (b) agrees not to commence any Action except in such New York Courts and in accordance with the provisions of this Agreement, (c) agrees that service of any process, summons, notice, or document by U.S. registered mail or as otherwise provided in this Agreement shall be effective service of process for any Action brought in any such New York Court, (d) waives any objection to the laying of venue of any Action in the New York Courts and (e) agrees not to plead or claim in any such court that any such Action brought in any New York Court has been brought in an inconvenient forum.

Section 9.13 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION.

Section 9.14 Specific Performance. The Parties agree that the failure of any Party to perform its agreements and covenants hereunder, including its failure to take all actions as are necessary on its part to consummate the transactions contemplated hereby, will cause irreparable injury to the other Party, for which damages, even if available, will not be an adequate remedy. Accordingly, each Party hereby consents to the issuance of injunctive relief by any court of competent jurisdiction to compel performance of such Party’s obligations and to the granting by any such court of the remedy of specific performance of its obligations hereunder, in addition to any other rights or remedies available hereunder or at law or in equity.

Section 9.15 Headings. The descriptive headings of the various Articles and Sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

Section 9.16 Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by electronic .pdf shall be as effective as delivery of a manually executed counterpart of any such agreement.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the day and year first written above.

**NEW YORK TRANSCO, LLC**

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

By: Victor Mullin

By: \_\_\_\_\_

Name: Victor Mullin

Name: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

By: Paul Haering

By: \_\_\_\_\_

Name: Paul Haering

Name: \_\_\_\_\_

Title: Vice President, Capital Investment

Title: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

**NEW YORK TRANSCO, LLC**

By: \_\_\_\_\_

Name: Victor Mullin

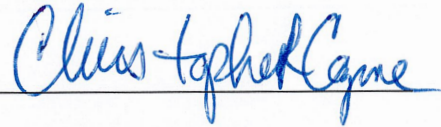
Title: President

By: \_\_\_\_\_

Name: Paul Haering

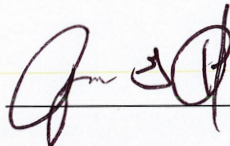
Title: Vice President, Capital Investment

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION**

By:  \_\_\_\_\_

Name: Christopher Capone

Title: President and Chief Executive Officer

By:  \_\_\_\_\_

Name: Ryan Hawthorne

Title: Vice President – Electric Engineering and Operations

**EXHIBIT A TO ASSET PURCHASE AGREEMENT**

**VAN WAGNER EASEMENT AGREEMENT**

See attached

**GRANT OF EASEMENT AND RIGHT OF WAY**

BETWEEN

CENTRAL HUDSON GAS & ELECTRIC CORPORATION, a domestic corporation having its principal office at 284 South Avenue, Poughkeepsie, New York 12601

Grantor,

and

NEW YORK TRANSCO LLC, a domestic limited liability company having its principal office at 1 Hudson City Centre, Suite #300, Hudson, New York 12534

Grantee,

In consideration of the sum of \$1.00 and other valuable consideration, the receipt whereof from Grantee, is hereby acknowledged, the Grantor hereby grant(s) and convey(s) unto Grantee, its successors, assigns, and lessees, an easement and right of way throughout its extent over and across the lands of the Grantor, including roads and highways thereon and adjacent thereto, situated in the Town of Pleasant Valley, County of Dutchess, State of New York.

A description of the easement area is attached hereto and made a part thereof as Exhibit A.

Together with the right at all times to have access thereto across the remaining premises of the Grantor (said right of access to be confined to practicable and reasonable routes to be designated by the Grantor), and to enter thereon, and to construct, relocate, operate and maintain, and to protect, repair, replace and remove, in, upon, over and under said easement and right of way and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of Grantee, its successors, assigns, and lessees for any public utility use; and provided that physical damage to the property, including facilities, owned by the Grantor caused solely by Grantee, and the cost of any interference with the maintenance, construction, relocation, protection, repair, replacement and removal of Grantor's property and facilities, its successors, assigns and lessees, shall be adjusted at the expense of Grantee, its successors, assigns, and lessees. Grantee's easement is subordinate to Grantor's right to use the space over or under Grantor's facilities as Grantor may require for any public utility use.

Together with the permanent right to trim and cut to ground level, at any time, such brush, trees and other objects or obstructions within the easement area and on adjacent property of the Grantor as in the reasonable judgment of Grantee its successors, assigns, and lessees, may interfere with, obstruct or endanger the construction, operation or maintenance of said poles, lines and other appurtenances and fixtures or any thereof, which are now or may hereafter be constructed on said right of way, provided that Grantee coordinates the vegetation clearance work with Grantor to ensure no impacts to Grantor's

facilities installed within the easement. Said right shall include the right to use chemical means of brush and vegetation control within the limits of the easement and rights of way where applicable. Any chemical use shall be in accordance with all Federal and State regulations pertaining to utility right-of-way maintenance.

Reserving unto the Grantor, and the Grantor's heirs and assigns, and the right to maintain and use existing roadway(s) across said easement and right of way. In the exercise, use, construction and maintenance of any such roadway by the Grantor and the Grantor's heirs and assigns, every reasonable and proper precaution shall be taken not to interfere with the use of, obstruct or endanger the facilities installed on the aforesaid easement and right of way by Grantee, its successors, assigns or lessees, and that, for mutual protection, Grantee, its successors, assigns and lessees shall be notified in writing in advance of any proposed changes in such exercise, use or maintenance thereof, or of any unusual use or contemplated use or condition and Grantee its successors, assigns and lessees shall notify in writing in advance of any proposed changes in such exercise, use or maintenance thereof, or of any unusual use or contemplated use or condition.

Notwithstanding any of the foregoing, Grantor shall have the right to:

(A) Operate, maintain, construct, relocate, construct and to protect, repair, replace and remove, in, upon, over and under said easement and right of way any and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of the Grantor that are presently installed or that may be installed in the future, its successors, assigns, and lessees for any public utility use; provided, however, that in connection with any expansion of Grantor's facilities on the premises: (1) Grantee shall work with Grantor to ensure that such expansion would not materially interfere with Grantee's transmission line facilities on the premises; and (2) Grantor shall have obtained all required regulatory and third-party approvals for such expansion; and

(B) Relocate or coordinate with Grantee to modify its transmission line facilities in the easement area on the premises, upon prior written notice to Grantee, provided, however, that: (1) Grantee shall work with Grantor to ensure that such relocation or modification would not materially interfere with Grantee's operation of its transmission line facilities; (2) Grantor shall have obtained all required regulatory and third-party approvals for such relocation or modification; and (3) such relocation or modification shall be at Grantor's sole cost and expense.

The terms hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns and lessees of the Grantor and Grantee.

[SIGNATURE PAGE FOLLOWS]

Signed, sealed and delivered, on \_\_\_\_\_, 2023.

*Grantor:* CENTRAL HUDSON GAS & ELECTRIC CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF NEW YORK    )  
  )  
COUNTY OF \_\_\_\_\_  
)

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2023 before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, of Central Hudson Gas & Electric Corporation personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

Exhibit A

Parcel Legal Description

All that piece or parcel of land situated in the Town of Pleasant Valley, County of Dutchess, and State of New York, containing 11,510 square feet or 0.264 acres, and more particularly bounded and described as follows:

Beginning at a point in the northwesterly line of land now or formerly Niagara Mohawk Power Corp. (DB 1078 Pg. 187), said point being North 16°-43'-28" East a distance of 128.00 feet from the southwest corner of said conveyed land;

Thence running North 16°43'-28" East a distance of 220.58 feet to a point;

Thence running North 40°-37'-58" East a distance of 27.62 feet to a point;

Thence running South 62°-13'-42" East a distance of 84.42 feet to a point;

Thence running South 38°-59'-40" West a distance of 248.17 feet to the point and place of beginning.

All as depicted on depicted on two plans the first entitled: "Proposed Lease and Easement Map NYES Main Street (Route 44), Pleasant Valley, New York" Scale 1"=100'; Dated June 8, 2020; Last Revised March 8, 2022; Sheet No. EA-1 2 of 2; prepared by BL Companies, Meriden, Connecticut and the second entitled: "Proposed Easement Map NYES Main Street (Route 44), Pleasant Valley, New York" Scale 1"=100'; Dated June 8, 2020; Last Revised March 8, 2022; Sheet No. EA-1 1 of 2; prepared by BL Companies, Meriden, Connecticut

**EXHIBIT B TO ASSET PURCHASE AGREEMENT**

**MILAN EASEMENT AGREEMENT**

See attached.

**GRANT OF EASEMENT AND RIGHT OF WAY**

BETWEEN

CENTRAL HUDSON GAS & ELECTRIC CORPORATION, a domestic corporation having its principal office at 284 South Avenue, Poughkeepsie, New York 12601

Grantor,

and

NEW YORK TRANSCO LLC, a domestic limited liability company having its principal office at 1 Hudson City Centre, Suite #300, Hudson, New York 12534

Grantee,

In consideration of the sum of \$1.00 and other valuable consideration, the receipt whereof from Grantee, is hereby acknowledged, the Grantor hereby grant(s) and convey(s) unto Grantee, its successors, assigns, and lessees, an easement and right of way throughout its extent, in upon, over, under and across the lands of the Grantor, including roads and highways thereon and adjacent thereto, situated in the Town of Milan, County of Dutchess, State of New York.

This easement pertains to a 0.33 acre portion of Dutchess County Real Property Tax Map Parcel 6471-00-521975-0001. A description of the easement and right of way area is attached hereto and made a part thereof as Exhibit A. A map of such easement and right of way area is attached hereto and made a part hereof as Exhibit B.

Together with the right at all times to have access thereto across the remaining premises of the Grantor (said right of access to be confined to the twenty (20) foot access area designated on Exhibit B hereto and other practicable and reasonable routes to be designated by the Grantor), and to enter thereon, and to construct, relocate, operate and maintain, and to protect, repair, replace and remove, in, upon, over and under said easement and right of way and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of Grantee, its successors, assigns, and lessees for any public utility use; and provided that physical damage to the property owned by the Grantor caused solely by Grantee, its successors, assigns and lessees, shall be adjusted at the expense of Grantee, its successors, assigns, and lessees.

Together with the permanent right to trim and cut to ground level, at any time, such brush, trees and other objects or obstructions within the easement area and on adjacent property of the Grantor as in the reasonable judgment of Grantee its successors, assigns, and lessees, may interfere with, obstruct or endanger the construction, operation or maintenance of said poles, lines and other appurtenances and fixtures or any thereof, which are now or may hereafter be constructed on said right of way. Said right shall include the right to use chemical means of brush and vegetation control within the limits of the easement and rights of way where applicable. Any chemical use

shall be in accordance with all Federal and State regulations pertaining to utility right-of-way maintenance

The location of said easement and right of way, facilities, and lines is to be as determined by Grantee having regard to the origin, general direction and destination of said facilities and the requirements of Grantee.

Reserving unto the Grantor, and the Grantor's heirs and assigns, and the right to maintain and use existing roadway(s) across said easement and right of way, the location of which is to be subject to Grantee's written approval, without any obligation or duty on the party of Grantee, its successors, assigns or lessees, to construct or maintain any such roadway. In the exercise, use, construction and maintenance of any such roadway by the Grantor and the Grantor's heirs and assigns, every reasonable and proper precaution shall be taken not to interfere with the use of, obstruct or endanger the facilities installed on the aforesaid easement and right of way by Grantee, its successors, assigns or lessees, and that, for mutual protection, Grantee, its successors, assigns and lessees shall be notified in writing in advance of any proposed changes in such exercise, use or maintenance thereof, or of any unusual use or contemplated use or condition.

No house, structures, or other improvements shall be erected in the easement area, and no roadway (except as agreed upon herein) shall be constructed, and excavating, mining or blasting shall not be undertaken within the limits of said easement area and right of way without the prior written consent of Grantee, its successors or assigns; and any house or other structure that is already on said easement and right of way may be removed by Grantee, its successors or assigns, at the expense of Grantee, its successors, assigns or lessees, upon written notice to the Grantor, or the Grantor's heirs or successors, by Grantee its successors, assigns or lessees, by certified mail, to the address herein below given.

Notwithstanding any of the foregoing, Grantor shall have the right to:

(A) Expand its transmission substation facilities located on the premises within the easement area, upon prior written notice to Grantee, provided, however, that: (1) such expansion would not materially interfere with Grantee's transmission line facilities in the easement area; and (2) Grantor has obtained all required regulatory and third-party approvals for such expansion; and

(B) Relocate Grantee's transmission line facilities in the easement area on the premises, upon prior written notice to Grantee, provided, however, that: (1) such relocation would not materially interfere with Grantee's operation of its transmission line facilities; (2) Grantor has obtained all required regulatory and third-party approvals for such relocation; and (3) any such relocation would be at Grantor's sole cost and expense.

The terms hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns and lessees of the Grantor and Grantee.

[SIGNATURE PAGE FOLLOWS]

Signed, sealed and delivered, on \_\_\_\_\_, 2023.

*Grantor:*

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEW YORK    )  
                                  )  
COUNTY OF \_\_\_\_\_  
)

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2023 before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, of Central Hudson Gas & Electric Corporation personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

Exhibit A

**Permanent Access Easement Area**  
**Milan, NY**

All that piece or parcel of land situated in the Town of Milan, County of Dutchess, and State of New York, more particularly depicted on a plan entitled: "Easement Map, Milan Hill Road (County Route 54), Town of Milan, Dutchess County, New York", Scale 1"=40'; Dated May 31, 2022; Last Revised June 21, 2022; Sheet No. EA-1; prepared by BL Companies, Meriden, Connecticut further bounded and described as follows:

Beginning at a point along the NYES Right-of-Way, said point having NAD83 coordinates of N=1,145,305.71 and E=682,739.06;

Thence running along said right-of-way, North 2°02'01" East a distance of 78.33 feet to a point;

Thence running over, into, and through land now or formerly of CHG&E Corp. the following three (3) courses and distances:

South 77°57'40" East a distance of 84.64 feet to a point;

South 5°37'01" East a distance of 148.26 feet to a point;

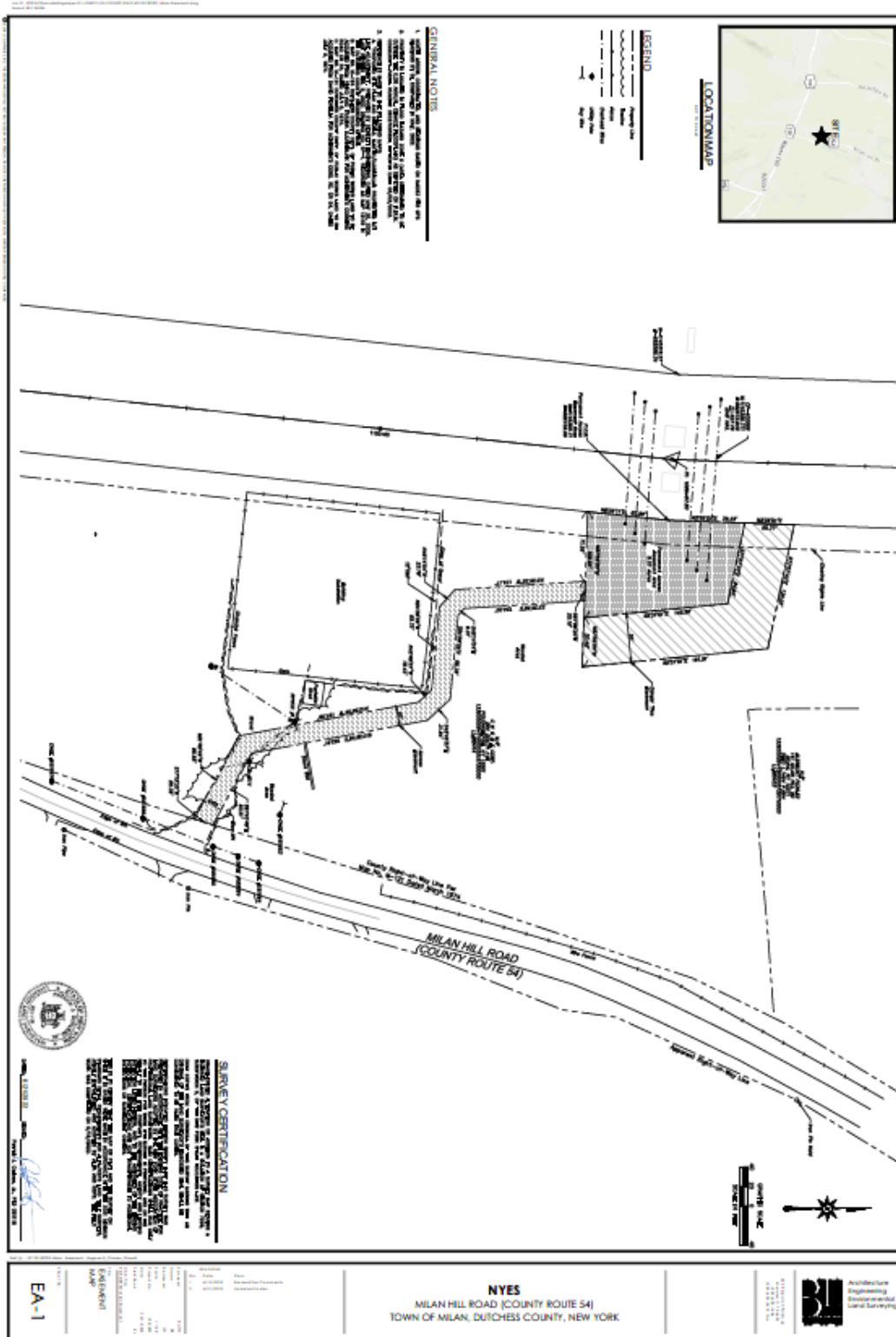
North 87°59'20" West a distance of 108.92 feet to a point;

Thence running again along said right-of-way, North 6°02'11" East a distance of 83.56 feet to the point and place of beginning.

Encompassing an area of 0.33 Acres, more or less.

# Exhibit B

## Easement Area Map



**SCHEDULE I-A**  
**Illustrative Statement for Land Price**

Closing Date: [ \_\_\_\_\_, 2023]

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION**  
(“Seller”)

-to-

**NEW YORK TRANSCO LLC**  
(“Buyer”)

---

**Seller Land Rights**

**Credits to Seller (Estimated):**

(i)	<u>FMV of Seller Land Rights</u> .....	\$ 15,200.00
	(A) <u>Milan Easement</u> .....	\$ 5,168.00
	(B) <u>Van Wagner Easement</u> .....	\$ 10,032.00
(ii)	<u>Other Transaction Costs</u> (Pursuant to Section 9.02 of Asset Purchase Agreement and not included in (i), (ii), and (iii) above) .....	\$ TBD
	<b>TOTAL CREDITS TO SELLER</b> .....	[\$TBD]

**Credits to Buyer (Estimated):**

(i)	<u>Land Rights Closing Assumed Liability Amount</u> .....	\$ -0-
	<b>TOTAL CREDITS TO BUYER</b> .....	\$ -0-
	<b>ESTIMATED PURCHASE PRICE</b> .....	[\$TBD] <sup>1</sup>

---

<sup>1</sup> Buyer to pay any applicable New York state and county transfer tax at Closing.

**SCHEDULE I-B**  
**Illustrative Statement for Undepreciated Assets Price**

Closing Date: [\_\_\_\_\_, 2023]

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION**  
(“Seller”)

-to-

**NEW YORK TRANSCO LLC**  
(“Buyer”)

**Purchased Assets: Milan Transmission Line Facilities**

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**Credits to Seller (Estimated):**

(i)	<u>Net Book Value of Undepreciated Assets:</u>	
	<b>Milan Transmission Line Facilities</b>	
	<b>Subtotal.....</b>	<b>\$ TBD</b>
(ii)	<u>FMV of Project Land Rights</u> .....	N/A
(iii)	<u>Other Transaction Costs</u> (Pursuant to Section 9.02 of Asset Purchase Agreement and not included in (i) and (ii) above) .....	\$ TBD
	<b>TOTAL CREDITS TO SELLER .....</b>	<b>[\$TBD]</b>

**Credits to Buyer (Estimated):**

(i)	Undepreciated Assets Closing Assumed Liability Amount.....	\$ -0-
	<b>TOTAL CREDITS TO BUYER.....</b>	<b>\$ -0-</b>
	<b>ESTIMATED PURCHASE PRICE .....</b>	<b>[\$TBD]</b>

**SCHEDULE 1.01**

**Permitted Liens**

None.

**SCHEDULE 2.01(a)**  
**Fee Interests related to the NYES Project**

None.

**SCHEDULE 2.01(a)(v)**

**Buildings, Fixtures, Structures, and Improvements Excluded from Fee Interests**

None.

**SCHEDULE 2.01(b)(i)**

**Leases related to the NYES Project**

None.

**SCHEDULE 2.01(b)(v)**

**Buildings, Fixtures, Structures, and Improvements Excluded from Leases**

None.

**SCHEDULE 2.01(c)**

**Easements related to the NYES Project**

Seller will grant an easement to Buyer in the form attached at Exhibit A for a portion of Seller's real property having S.B.L. 6471-00-521975 running from the real property outside the Milan Substation to the NYES Project right-of-way.

Seller will grant an easement to Buyer in the form attached at Exhibit B for a portion of Seller's real property in the NYES Project right-of-way.

**SCHEDULE 2.01(d)**

**Easement Apportionments related to the NYES Project**

None.

**SCHEDULE 2.01(e)**

**Licenses related to the NYES Project**

None.

**SCHEDULE 2.01(f)**

**Assumed Contracts**

None.

**SCHEDULE 2.02(a)**

**Transmission Line Facilities**

Four (4) transmission structures (Seller Structure Numbers: 367, 368, 369A and 369B) with two (2) structures located in the National Grid Right-of-Way (Structures: 368 & 369A) and two (2) structures located on real property subject to the Milan Easement (Structures: 367 & 369B).

Conductor: T7LN – 369A-Milan terminal structure  
10LN – 368-Milan terminal structure

**SCHEDULE 2.02(a) (continued)**

**Transmission Substation Facilities**

None.

**SCHEDULE 2.02(b)**

**Multifunction Contracts**

None.

**SCHEDULE 2.03(1)**

**Undepreciated Assets Being Retained**

None.

**SCHEDULE 3.03(b)**

**Third-Party Consents**

None.

**SCHEDULE 3.05(f)**

**Third-Party Options, Rights of First Refusal or First Offer or Rights of Reverter, Etc.**

None.

**SCHEDULE 6.02(e)**

**Consents, Approvals, and Permits of Governmental Authority  
Other Than the Governmental Approvals**

None.

# **Exhibit E**

**Vt cpueq'Cr r t clucn**



October 19, 2022

New York Transco LLC  
One Hudson City Center  
Hudson, NY 12534

C/O Jeremy Speich, Partner  
Legal Representation for New York Transco LLC  
677 Broadway, Suite 1101  
Albany, NY 12207

Re: Addendum to the Appraisal Knickerbocker Switching Station to Pleasant Valley Substation (Transco #96 line); 54.5 Mile 345/115 Kilovolt Transmission Line Project; Various Locations, Town of Schodack in Rensselaer County; Towns of Stuyvesant, Stockport, Ghent, Claverack, Livingston, Gallatin, and Clermont in Columbia County; Towns of Milan, Clinton, and Pleasant Valley in Dutchess County, New York

Dear Mr. Speich:

In accordance with your request, I have completed an updated appraisal of a portion of the Knickerbocker Switching Station to Pleasant Valley Substation (Transco #96 line) 54.5 Mile 345/115 Kilovolt Transmission Line Project. This letter serves as an addendum to the appraisal report dated October 14, 2020 with an original valuation date of August 9, 2020. The purpose of the appraisal is to estimate the market value of a proposed permanent easement under the extraordinary assumption that the property is in similar condition to the date of last inspection. The use of this assumption may affect assignment results. No new inspection was done. The easement will cover a 0.33 acre portion of the Central Hudson Gas & Electric owned parcel; 6471-00-521975-0001 together with a 20' access easement of approximately 0.25± acres (per appraiser measurements) to the easement area from Milan Hill Road.

The intended use of this report is to aid the client in the acquisition of the permanent easements on the subject property. All of the other relevant data contained in that report is deemed to be needed in order to understand this analysis including the Assumptions and Limiting Conditions pages and Certification. The valuation date is October 17, 2022. The report that was provided sets forth the most pertinent data gathered and includes assumptions and limiting conditions which apply to this analysis.

The scope of work includes a review new survey maps as well as examined tax maps prepared by the Real Property Tax Office of Dutchess County and various other maps as necessary. Gathered information on sales of comparable vacant land sales similar to the subject. Deeds were examined at the County Clerk's Office; buyers, sellers, attorneys and other parties involved in the transaction, such as lenders and/or brokers, were contacted to verify the sale transaction data to ensure that all sales were at arm's length. Utilized the Sales Comparison Approach to value the subject as vacant land unapproved for development. The indicated value per acre was then applied to the acreage of the subject easements. The Cost and Income Approaches are not considered meaningful in appraising a property of this type.

***Current market conditions***

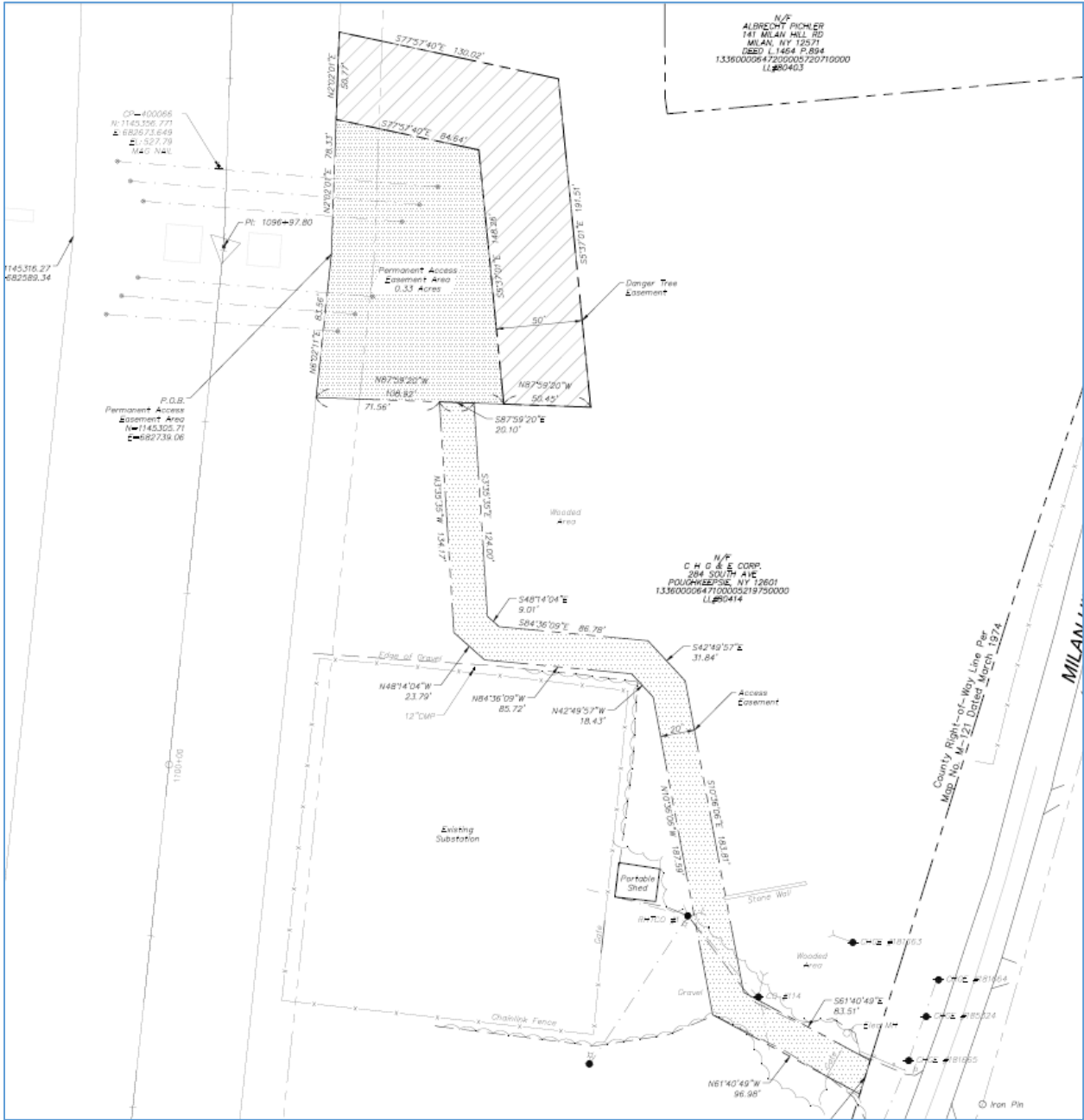
*The effects of COVID-19 on the real estate market in the larger market area have varied by market and by property type. At this point we do know that certain property types have seen increased demand due to the pandemic – namely apartment buildings and single-family homes in many areas of the Hudson Valley. Apartment rental demand has increased notably in many areas. The analyses and value opinion(s) in this appraisal are based on the data available to the appraiser(s) at the time of the assignment and apply only as of the effective date(s) indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. Brokers interviewed have had varying opinions about the near term future and market conditions could be far less stable than typical, at least in the short term. Market conditions are rapidly changing as businesses across the state are shifting to more normalized patterns. Moreover, vaccination rates have increased and illness, deaths and hospitalizations due to the pandemic are noted to have declined across the nation. Local brokers and business owners note increases in the numbers of customers demanding goods and services. In some locales, restaurant reservations are quickly filled and hard to come by. With many in the population desperate to get out and return to pre-pandemic life, anticipation for the near term is mostly positive, even while the larger economic ramifications are still unfolding.*

One area of concern is a shortage of employees, which is causing some operations to continue to run at half capacity or less. As economic aid to those impacted have waned, the hope is for employment numbers to rise and counter this obstacle. This factor is still evolving, however. Another aspect of current economic conditions is some overheating in markets, as media reports are fueling some frenzy among sellers aiming to cash in at maximal gain and anxious buyers worried about missing out. Some temperance on this front may be observed in the near future, as high construction costs and shortages in building supplies have recently forced a decline in homebuilding across the nation. Moreover, as life shifts more to a pre-pandemic norm, the urge to 'flee' may recede

**Subject Property Information:** The subject property is a 13.7-acre parcel improved with an electric substation owned by Central Hudson Gas & Electric further identified as parcel 6471-00-521975-0001 located at 111 Milan Hill Road in the Town of Milan, Dutchess County, New York. The topography ranges from level to undulating to sloping. The parcel is comprised a mix of wooded and open areas. The parcel contains interior gravel road, wood and metal fencing, a 640 square foot utility building constructed in 1971 and the electrical substation. The northern boundary of the property contains a small stream. There are no known NYS designated wetlands or lands located in a flood plain. The subject is located in the A3A, Agricultural zoning district that requires a 3 acre minimum lot for residential development.

New York Transco, LLC intends to obtain a permanent access easement area which will cover a 0.33 acre portion of the subject parcel together with a 20' access easement of approximately 0.25± acres (per appraiser measurements) to the easement area from Milan Hill Road and extend over the existing access road, The following is a survey map outlining the easement areas. The full map is attached to this letter as well.

Subject Survey Map



**VALUATION DISCUSSION:**

The land sales range from \$11,938/acre to \$17,341/acre. The applied price per acre of the subject parent parcel is reconciled to \$13,400/acre based on location, zoning, highest and best use of adjacent parcels for residential development. The following is a summary of sales utilized to determine the applied value per acre of the subject.

SUMMARY OF COMPARABLE SALES UTILIZED IN LAND VALUATION								
Sale No.	Sale Date	Address	Municipality	Highest and Best Use	Land Size (acres)	Sale Price	Sale Price Per Acre	Comments
1	09/2022	Molland Drive	Milan	Residential development	10.30	\$125,000	\$12,136	Level to sloping lands. Mostly wooded with some open areas. Small stream runs along the western boundary. Borders utility lines and contains access easement near eastern boundary.
2	05/2021	Wood Row Road	Milan	Residential development	10.89	\$130,000	\$11,938	Level to undulating to steeply sloping lands. Parcel is mostly wooded. There approximately 4± acre of NYS and NWI wetlands at the rear of the site.
3	1/2021	Ferris Road	Milan	Residential development	10.38	\$180,000	\$17,341	Level to rolling topography. Parcel contains a mix of woods and open areas. Local views. No wetlands or lands located in a flood zone.
4	9/2019	Milan Hill Road	Milan	Residential development	10.65	\$130,000	\$12,207	The topography is undulating to rolling and heavily wooded with rocky outcroppings. Some portions of the road frontage are steep and stippled with very large trees. There are 2.40 acres NWI wetlands and no NYS wetlands. There are no known floodplains. The parcel contains a pond and otherwise has rural, wooded views. A stream is noted along a portion of the roadside. The property is BOHA approved for a 4BR home. The broker confirms the sale as typical of the market. The buyer intended to improve the parcel with a single-family home. The property is located in a corner in a sparsely developed area.
						Average	\$13,405	

***Non-Exclusive Permanent Easement***

Utility Transmission Lines Easements typically represent 90% to 100% of the fee value. Per the Easement Grant; the grantor reserves the right to use the grantor’s land for any purpose, or to grant easements or leases in favor of third persons in the Easement Area for any other lawful purpose permitted under Applicable Laws, so long as: (a) any such uses, easements or leases do not materially interfere with any of Grantee’s rights hereunder; and (b) Grantor obtains Grantee’s prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. After considering these items; 90% of fee value was applied in order to develop the purchase of the permanent easement.

*Non-Exclusive Permanent Easement Value*

0.33 acres x \$13,400/acre x 90% = **\$3,980 rounded**

0.25 acres x \$13,400/acre x 90% = **\$3,020 rounded**

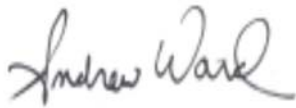
**Total Easement Value.....\$7,000**

Respectfully submitted,

**ACKERLY & HUBBELL APPRAISAL CORP.**



Grant Ackerly, MAI, AI-GRS, CCIM  
*State Certified General Real Estate Appraiser No. 46..46551*



Andrew Ward  
*State Certified General Real Estate Appraiser No. 46..48872*

***attachments***



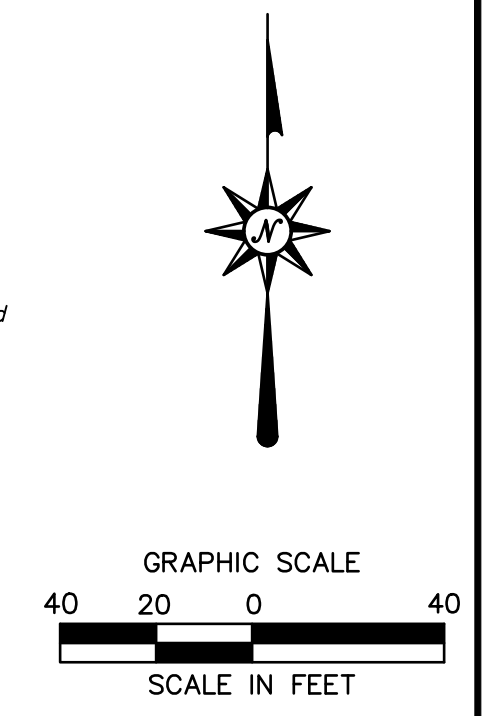
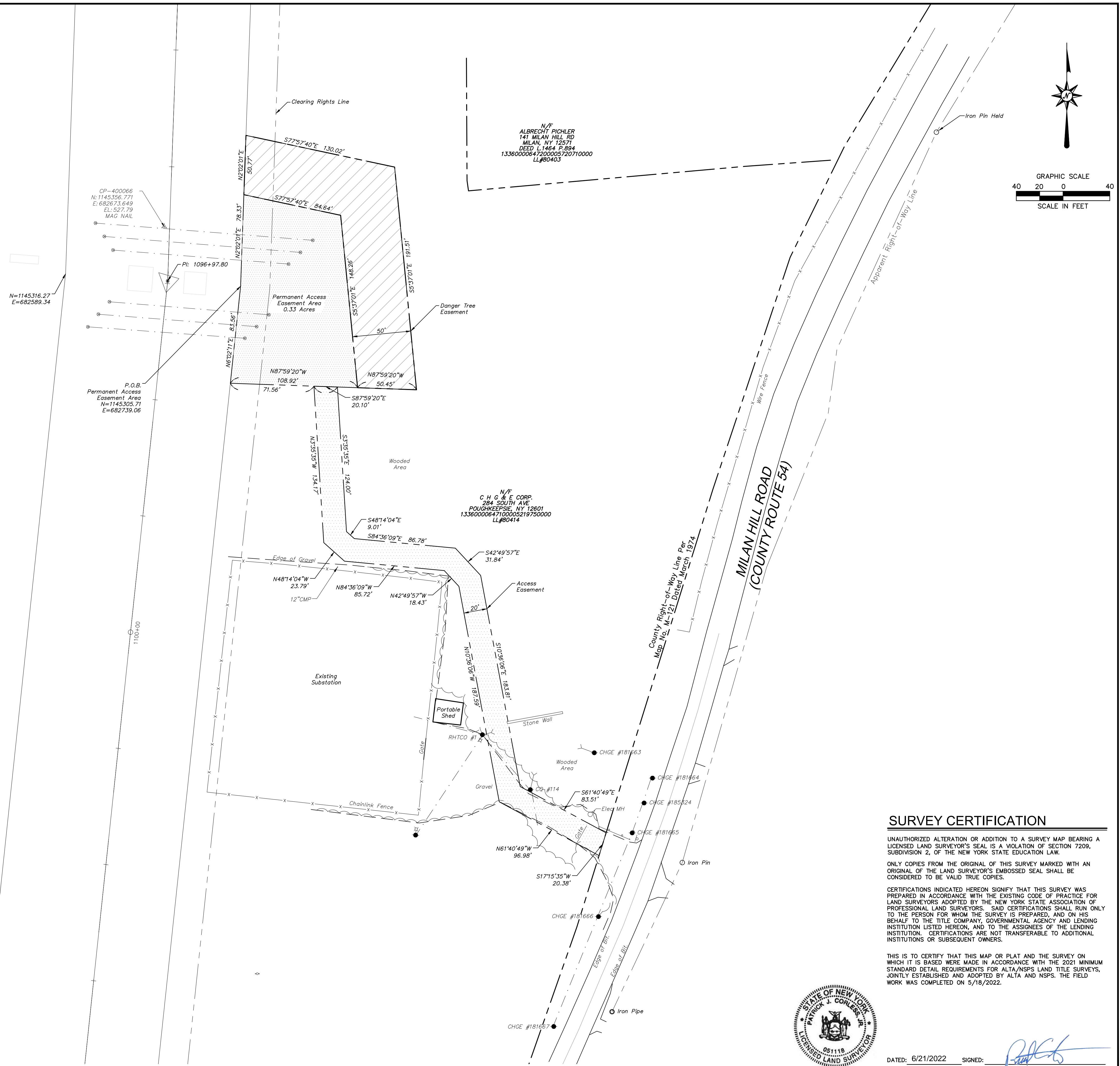
**LOCATION MAP**  
NOT TO SCALE

**LEGEND**

- Property Line
- Treeline
- Fence
- Overhead Wires
- Utility Pole
- Guy Wire

**GENERAL NOTES**

1. NORTH ARROW, COORDINATES, AND BEARINGS BASED ON NAD83 PER GPS READINGS BY BL COMPANIES IN MAY, 2022.
2. PROPERTY IS LOCATED IN FLOOD HAZARD ZONE X (AREA DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS DEPICTED ON F.I.R.M. COMMUNITY-PANEL NUMBER 36027C0160E, EFFECTIVE DATE 05/02/2012.
3. REFERENCE IS MADE TO THE FOLLOWING MAPS:  
 A. "PROPOSED SITE PLAN AND DETAILS, MARTIN/DJURKINJAK PROPERTIES LOT LINE ADJUSTMENT", PREPARED BY DEWKETT ENGINEERING, DATED MAY 30, 2006, LAST REVISED FEB. 9, 2007, DRAWING NO: SP-1, RECORDED AS MAP 12119 IN THE DUTCHESS COUNTY RECORDERS OFFICE.  
 B. MAP NO. M-194 DUTCHESS COUNTY DEPT. OF PUBLIC WORKS LAND TO BE ACQUIRED FROM VINKO AND FRANKA DJURKENJAK FOR MCKERNEN'S CORNERS ROAD CR 54, DATED JULY 5, 1974.  
 C. MAP NO. M-121 DUTCHESS COUNTY DEPT. OF PUBLIC WORKS LAND TO BE ACQUIRED FROM DAVID FIORELLA FOR MCKERNEN'S CORNERS RD. CR 54, DATED JULY 5, 1974.



**SURVEY CERTIFICATION**

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THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS. THE FIELD WORK WAS COMPLETED ON 5/18/2022.



DATED: 6/21/2022 SIGNED: Patrick J. Corless, Jr., PLS 051118



355 Research Parkway  
Meriden, CT 06450  
(203) 630-1406  
(203) 630-2615 Fax

**NYES**  
MILAN HILL ROAD (COUNTY ROUTE 54)  
TOWN OF MILAN, DUTCHESS COUNTY, NEW YORK

REVISIONS	Date	Revised Per Comments
1	6/10/2022	Updated Scales
2	6/21/2022	

Surveyed	RL/TW
Drawn	EB
Reviewed	JM
Scale	1"=40'
Project No.	1901899
Date	5/31/2022
Field Book	RL

CAD File:  
EX190189901-Milan Easement

Title  
**EASEMENT  
MAP**

Sheet No.  
**EA-1**



December 2, 2022

New York Transco LLC  
One Hudson City Center  
Hudson, NY 12534

C/O Jeremy Speich, Partner  
Legal Representation for New York Transco LLC  
677 Broadway, Suite 1101  
Albany, NY 12207

Re: Addendum to the Appraisal of a 24.15 acre permanent easement; Pleasant Valley Substation, 5-11 Niagara Road. Town of Pleasant Valley, Dutchess County, NY 12569

Dear Mr. Speich:

In accordance with your request, I have completed an updated appraisal of a portion of the Pleasant Valley Substation project. This letter serves as an addendum to the appraisal report dated September 30, 2021 with an original valuation date of August 21, 2021. A 0.264 acre portion of the property to be eased was previously thought to be owned by Consolidated Edison Company of New York, Inc. as a part of parcel 6363-02-515520. The 0.264 acre property is however owned by Central Hudson Gas and Electric. The purpose of the appraisal is to estimate the market value of a proposed permanent easement under the extraordinary assumption that the property is in similar condition to the date of last inspection. The use of this assumption may affect assignment results. No new inspection was done. The intended use of this report is to aid the client in the acquisition of the permanent easement on the subject property. All of the other relevant data contained in that report is deemed to be needed in order to understand this analysis including the Assumptions and Limiting Conditions pages and Certification. The valuation date is October 17, 2022. The report that was provided sets forth the most pertinent data gathered and includes assumptions and limiting conditions

which apply to this analysis.

The scope of work includes a review new survey maps as well as examined tax maps prepared by the Real Property Tax Office of Dutchess County and various other maps as necessary. Gathered information on sales of comparable vacant land sales similar to the subject. Deeds were examined at the County Clerk's Office; buyers, sellers, attorneys and other parties involved in the transaction, such as lenders and/or brokers, were contacted to verify the sale transaction data to ensure that all sales were at arm's length. Utilized the Sales Approach by applying the "Across the Fence" (ATF) method. In order to value the subject property, an estimated "ATF" land value was determined by analyzing the value of the property based on the highest and best uses of the adjacent lands along the corridor. The indicated value per acre was then applied to the acreage of the subject ROW. The Cost and Income Approaches are not considered meaningful in appraising a property of this type.

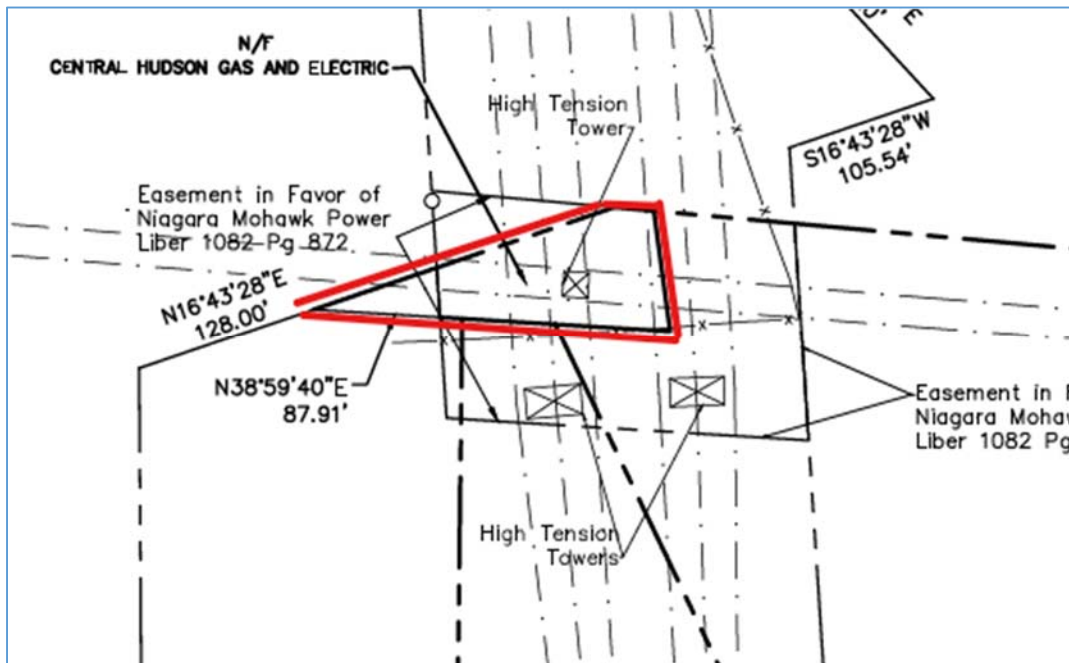
***Current market conditions***

*The effects of COVID-19 on the real estate market in the larger market area have varied by market and by property type. At this point we do know that certain property types have seen increased demand due to the pandemic – namely apartment buildings and single-family homes in many areas of the Hudson Valley. Apartment rental demand has increased notably in many areas. The analyses and value opinion(s) in this appraisal are based on the data available to the appraiser(s) at the time of the assignment and apply only as of the effective date(s) indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. Brokers interviewed have had varying opinions about the near term future and market conditions could be far less stable than typical, at least in the short term. Market conditions are rapidly changing as businesses across the state are shifting to more normalized patterns. Moreover, vaccination rates have increased and illness, deaths and hospitalizations due to the pandemic are noted to have declined across the nation. Local brokers and business owners note increases in the numbers of customers demanding goods and services. In some locales, restaurant reservations are quickly filled and hard to come by. With many in the population desperate to get out and return to pre-pandemic life, anticipation for the near term is mostly positive, even while the larger economic ramifications are still unfolding.*

One area of concern is a shortage of employees, which is causing some operations to continue to run at half capacity or less. As economic aid to those impacted have waned, the hope is for employment numbers to rise and counter this obstacle. This factor is still evolving, however. Another aspect of current economic conditions is some overheating in markets, as media reports are fueling some frenzy among sellers aiming to cash in at maximal gain and anxious buyers worried about missing out. Some temperance on this front may be observed in the near future, as high construction costs and shortages in building supplies have recently forced a decline in homebuilding across the nation. Moreover, as life shifts more to a pre-pandemic norm, the urge to 'flee' may recede

**Subject Property Information:** The subject is contains a mix of open areas, overgrown vegetation and scattered trees. The topography is level to slightly sloping and the shape is triangular. The parcel is comprised of 0.264 acres and is reportedly owned by Central Hudson Gas and Electric. The property is not designated a parcel number by the Town of Pleasant Valley. It is located off Van Wagner Road. There is a high tension tower and overhead utility lines that are located on the parcel that are not valued in this analysis.

### Subject Survey Map



**VALUATION DISCUSSION:**

The land sales range from \$11,099/acre to \$36,541/acre. The applied price per acre of the subject parent parcel is reconciled to \$16,000/acre based on location, zoning, highest and best use of adjacent parcels for mix of industrial/office development. The adjacent parcel to the northwest is 20.1 acres used as the basis for comparison. The following is a summary of sales utilized to determine the applied value per acre of the subject.

SUMMARY OF COMPARABLE SALES						
Address	Municipality	Sale Date	Sale Price	Acres	Price/Acre	Comments
Route 302	Walkill	03/2020	\$365,000	20.50	\$17,805	Parcel contains wetland and flood plains. Wooded with some open areas
Van Wyck Lane	East Fishkill	03/2019	\$300,000	8.21	\$36,541	Mainly level. Cleared. Pond occupies 20%+/- . No wetlands or floodplains.
Route 22	Pawling	11/2018	\$75,000	4.37	\$17,162	Wooded, purchased for gas station
Route 55	Beekman	03/2018	\$150,000	9.84	\$15,244	Sloping and wooded; no wetlands or floodplains.
Salt Point Turnpike	Pleasant Valley	09/2017	\$300,000	27.03	\$11,099	Mix of woods and meadows; level with some undulations
366 Route 9	Fishkill	06/2017	\$130,000	6.83	\$19,034	Wooded, good configuration/access

***Non-Exclusive Permanent Easement***

Utility Transmission Lines Easements typically represent 90% to 100% of the fee value. Per the Easement; notwithstanding any of the foregoing, Grantor shall have the right to: (A) Operate, maintain, construct, relocate, construct and to protect, repair, replace and remove, in, upon, over and under said easement and right of way any and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of the Grantor that are presently installed or that may be installed in the future, its successors, assigns, and lessees for any public utility use; and (B) Relocate or coordinate with Grantee to modify it’s transmission line facilities in the easement area on the premises, upon prior written notice to Grantee, provided, however, that: any such relocation would be at Grantor’s sole cost and expense. After considering these items; 90% of fee value was applied in order to develop the purchase of the permanent easement.

**Non-Exclusive Permanent Easement Value**

0.264 acres x \$16,000/acre x 90% = **\$3,800 rounded**

Respectfully submitted,

**ACKERLY & HUBBELL APPRAISAL CORP.**



Grant Ackerly, MAI, AI-GRS, CCIM  
*State Certified General Real Estate Appraiser No. 46..46551*



Andrew Ward  
*State Certified General Real Estate Appraiser No. 46..48872*

***attachments***



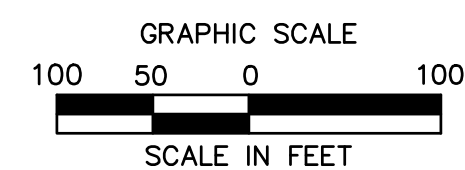


**LOCATION MAP**

NOT TO SCALE

**LEGEND**

- Property Line
- Proposed Lease/Easement
- Fence
- Stone Wall
- Overhead Wires
- Utility Pole
- Guy Wire



**SURVEY CERTIFICATION**

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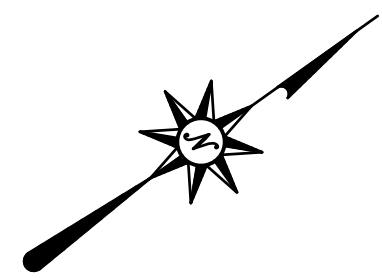
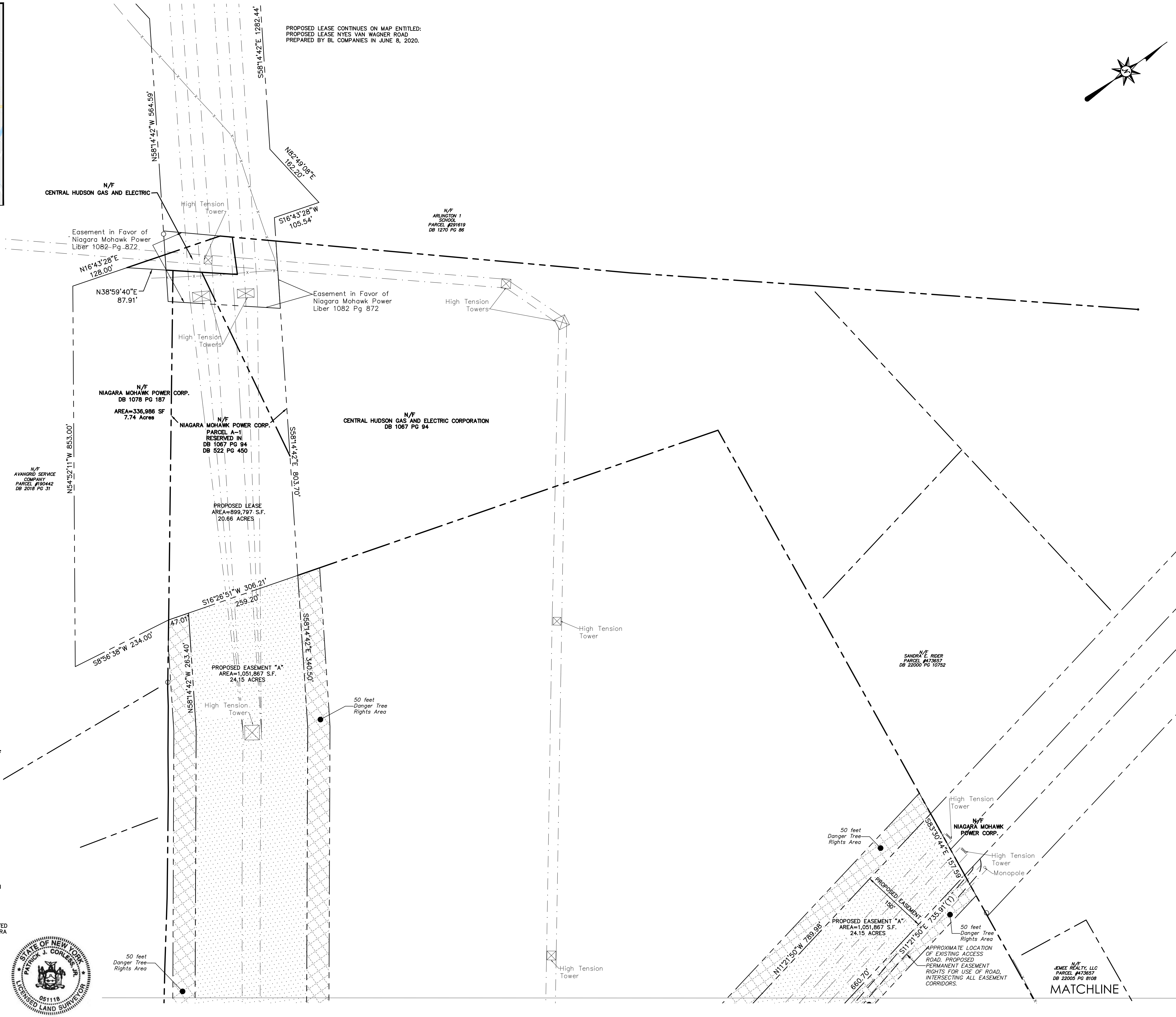
PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA, NSPS AND ACSM AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT THE PROPER FIELD PROCEDURES, INSTRUMENTATION, AND ADEQUATE SURVEY PERSONNEL WERE EMPLOYED IN ORDER TO ACHIEVE RESULTS COMPARABLE TO THOSE OUTLINED IN THE "MINIMUM ANGLE, DISTANCE, AND CLOSURE REQUIREMENTS FOR SURVEY MEASUREMENTS WHICH CONTROL LAND BOUNDARIES FOR ALTA/ACSM LAND TITLE SURVEYS".

I HEREBY CERTIFY THIS SURVEY TO NEW YORK TRANSCO LLC; CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., A NEW YORK CORPORATION; NIAGARA MOHAWK POWER CORPORATION; A NEW YORK CORPORATION, ITS PARENTS AND AFFILIATES, AS THEIR INTEREST MAY APPEAR; HARRIS BEACH P.L.C.; CENTRAL HUDSON GAS & ELECTRIC CORPORATION; AND STEWART TITLE INSURANCE COMPANY;



DATED: 3/8/2022 SIGNED: Patrick J. Corless, Jr., PLS 051118

PROPOSED LEASE CONTINUES ON MAP ENTITLED:  
PROPOSED LEASE NYES VAN WAGNER ROAD  
PREPARED BY BL COMPANIES IN JUNE 8, 2020.



REVISIONS

No.	Date	Revised Easement Location and Certification
1.	8/11/2020	Revised Easement Location and Certification
2.	10/20/2020	Revised Easement Location and Certification
3.	12/23/2020	Revised Easement Per Client
4.	12/31/2020	Revised Easement Per Client
5.	02/14/2021	Revised Easement Per Client
6.	04/01/2021	Revised Easement Per Client
7.	12/01/2021	Revised Easement Per Client
8.	3/8/2022	Revised Certification Entities

Surveyed	R.L.J.H.
Drawn	J.C., RHR
Reviewed	RHR
Scale	1"=100'
Project No.	19018899
Date	6/8/2020
Field Book	FBK 534

CAD File: EX19018899-Pleasant Valley - Easement

**PROPOSED LEASE AND EASEMENT MAP**

Sheet No. 2 of 2

**EA-1**

Mar 08, 2022 7:21 am localtime G:\JOB\19\LIB\19018899\DWG\EX19018899-Pleasant Valley - Easement.dwg Layout: Sheet 2

© 2022 BL COMPANIES, INC. THESE DRAWINGS SHALL NOT BE UTILIZED BY ANY PERSON, FIRM OR CORPORATION WITHOUT THE SPECIFIC WRITTEN PERMISSION OF BL COMPANIES.

**GRANT OF EASEMENT AND RIGHT OF WAY**

BETWEEN

CENTRAL HUDSON GAS & ELECTRIC CORPORATION, a domestic corporation having its principal office at 284 South Avenue, Poughkeepsie, New York 12601

Grantor,

and

NEW YORK TRANSCO LLC, a domestic limited liability company having its principal office at 1 Hudson City Centre, Suite #300, Hudson, New York 12534

Grantee,

In consideration of the sum of \$1.00 and other valuable consideration, the receipt whereof from Grantee, is hereby acknowledged, the Grantor hereby grant(s) and convey(s) unto Grantee, its successors, assigns, and lessees, an easement and right of way throughout its extent over and across the lands of the Grantor, including roads and highways thereon and adjacent thereto, situated in the Town of Pleasant Valley, County of Dutchess, State of New York.

A description of the easement area is attached hereto and made a part thereof as Exhibit A.

Together with the right at all times to have access thereto across the remaining premises of the Grantor (said right of access to be confined to practicable and reasonable routes to be designated by the Grantor), and to enter thereon, and to construct, relocate, operate and maintain, and to protect, repair, replace and remove, in, upon, over and under said easement and right of way and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of Grantee, its successors, assigns, and lessees for any public utility use; and provided that physical damage to the property, including facilities, owned by the Grantor caused solely by Grantee, and the cost of any interference with the maintenance, construction, relocation, protection, repair, replacement and removal of Grantor's property and facilities, its successors, assigns and lessees, shall be adjusted at the expense of Grantee, its successors, assigns, and lessees. Grantee's easement is subordinate to Grantor's right to use the space over or under Grantor's facilities as Grantor may require for any public utility use.

Together with the permanent right to trim and cut to ground level, at any time, such brush, trees and other objects or obstructions within the easement area and on adjacent property of the Grantor as in the reasonable judgment of Grantee its successors, assigns, and lessees, may interfere with, obstruct or endanger the construction, operation or maintenance of said poles, lines and other appurtenances and fixtures or any thereof, which are now or may hereafter be constructed on said right of way, provided that Grantee coordinates the vegetation clearance work with Grantor to ensure no impacts to Grantor's

facilities installed within the easement. Said right shall include the right to use chemical means of brush and vegetation control within the limits of the easement and rights of way where applicable. Any chemical use shall be in accordance with all Federal and State regulations pertaining to utility right-of-way maintenance.

Reserving unto the Grantor, and the Grantor's heirs and assigns, and the right to maintain and use existing roadway(s) across said easement and right of way. In the exercise, use, construction and maintenance of any such roadway by the Grantor and the Grantor's heirs and assigns, every reasonable and proper precaution shall be taken not to interfere with the use of, obstruct or endanger the facilities installed on the aforesaid easement and right of way by Grantee, its successors, assigns or lessees, and that, for mutual protection, Grantee, its successors, assigns and lessees shall be notified in writing in advance of any proposed changes in such exercise, use or maintenance thereof, or of any unusual use or contemplated use or condition and Grantee its successors, assigns and lessees shall notify in writing in advance of any proposed changes in such exercise, use or maintenance thereof, or of any unusual use or contemplated use or condition.

Notwithstanding any of the foregoing, Grantor shall have the right to:

(A) Operate, maintain, construct, relocate, construct and to protect, repair, replace and remove, in, upon, over and under said easement and right of way any and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, guys, braces, underground conduits, pipes, mains, ducts and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of the Grantor that are presently installed or that may be installed in the future, its successors, assigns, and lessees for any public utility use; and

(B) Relocate or coordinate with Grantee to modify it's transmission line facilities in the easement area on the premises, upon prior written notice to Grantee, provided, however, that: any such relocation would be at Grantor's sole cost and expense.

The terms hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, personal representatives, successors and assigns and lessees of the Grantor and Grantee.

[SIGNATURE PAGE FOLLOWS]

Signed, sealed and delivered, on \_\_\_\_\_, 2022.

*Grantor:* CENTRAL HUDSON GAS & ELECTRIC CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF NEW YORK    )  
  )  
COUNTY OF \_\_\_\_\_  
)

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year 2022 before me, the undersigned, a Notary Public in and for said State, personally appeared \_\_\_\_\_, of Central Hudson Gas & Electric Corporation personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

Exhibit A

Parcel Legal Description

All that piece or parcel of land situated in the Town of Pleasant Valley, County of Dutchess, and State of New York, containing 11,510 square feet or 0.264 acres, and more particularly bounded and described as follows:

Beginning at a point in the northwesterly line of land now or formerly Niagara Mohawk Power Corp. (DB 1078 Pg. 187), said point being North 16°-43'-28" East a distance of 128.00 feet from the southwesterly corner of said conveyed land;

Thence running North 16°43'-28" East a distance of 220.58 feet to a point;

Thence running North 40°-37'-58" East a distance of 27.62 feet to a point;

Thence running South 62°-13'-42" East a distance of 84.42 feet to a point;

Thence running South 38°-59'-40" West a distance of 248.17 feet to the point and place of beginning.

All as depicted on depicted on two plans the first entitled: "Proposed Lease and Easement Map NYES Main Street (Route 44), Pleasant Valley, New York" Scale 1"=100'; Dated June 8, 2020; Last Revised March 8, 2022; Sheet No. EA-1 2 of 2; prepared by BL Companies, Meriden, Connecticut and the second entitled: "Proposed Easement Map NYES Main Street (Route 44), Pleasant Valley, New York" Scale 1"=100'; Dated June 8, 2020; Last Revised March 8, 2022; Sheet No. EA-1 1 of 2; prepared by BL Companies, Meriden, Connecticut

**EJ I ( G'Cr tckm**

---

**Confidential**

**CENTRAL HUDSON GAS &  
ELECTRIC CORPORATION**

*Valuation of a Permanent Land  
Easement Located at the Milan  
Substation, Dutchess County, New York*

**MARKET VALUE STUDY**  
as of October 1, 2022



**APPRAISAL ECONOMICS**  
Independent Valuation Experts



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## APPENDICES

- I Appraisal Certification
- II Statement of Assumptions and Limiting Conditions
- III Professional Qualifications



## **1.0 EXECUTIVE SUMMARY**

Pursuant to the authorization of Central Hudson Electric & Gas Corporation (“Central Hudson”), Appraisal Economics Inc. has conducted an appraisal of a permanent easement (the “Permanent Easement” or the “Subject”). The purpose of this appraisal is to assist Central Hudson in its transfer of the Permanent Easement to New York Transco LLC (“NY Transco”). We perform our valuation as of October 1, 2022 (the “Appraisal Date”).

Central Hudson is transferring the Permanent Easement to NY Transco as part of a larger project to upgrade the capacity of the transmission corridor from the Milan Substation located in Dutchess County, NY. NY Transco is a partnership made up of New York State’s transmission owners, including Central Hudson, Con Edison, National Grid, New York State Electric & Gas, Orange and Rockland Utilities, and Rochester Gas and Electric. Its mission is to pursue electric transmission upgrade projects as specified in the New York Energy Highway Initiative.

The procedures that we use in determining the market value of the Permanent Easement include the following items:

1. Discussions with Central Hudson management about the rights being transferred and responsibility of the parties regarding maintenance and other ongoing expenses;
2. Review documentation provided by Central Hudson including the permanent easement agreement, survey, property description, deed for the parcel, tax map, and aerial photographs available to the public;
3. Analysis of regional and local economic and demographic data that impacts the real estate market;
4. Collection of data specific to the Subject’s physical characteristics and neighborhood from primary and secondary sources;
5. Review of data regarding taxes, zoning, utilities, easements, and municipal services;
6. Identification of sales transactions for use in developing the sales comparison approach;
7. Confirmation of all sales data to the extent considered reasonable and practical using one or more of the following: public records, principals, managers, and real estate agents representing principals;
8. Reconciliation of the market value for each comparable sale to develop our final opinion of the Permanent Easement’s market value;



9. Estimation of a reasonable exposure time and marketing time associated with our opinion of market value;
10. Preparation of this summary appraisal report in which we present our data, analysis, and conclusion.

It is our opinion that the market value of the proposed Permanent Easement, as of the Appraisal Date, is:

**SIX THOUSAND SIX HUNDRED U.S. DOLLARS**  
**\$6,600**

Our valuation is intended to comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”) promulgated by the Appraisal Standards Board of The Appraisal Foundation. The Appraisal Foundation is authorized by the U.S. Congress as the source of appraisal standards and qualifications. This report is an “appraisal report” as defined by USPAP. We have not previously performed services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Our value estimate of this appraisal analysis assumes that the subject property is free from any adverse environmental contamination and that no toxic materials are present within the soil.

We do hereby represent that we have the knowledge and experience required to perform this appraisal competently and that we have no present nor contemplate future interest or bias with respect to the subject matter of this appraisal report or the parties involved.

***APPRAISAL ECONOMICS INC.***

*Appraisal Economics Inc.*

Date of Report: November 1, 2022



## 2.0 SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property address	111 Milan Hill Road Town of Milan, Dutchess County, New York
Parcel number	6471-00-521975-0001
Owner of record	Central Hudson Electric & Gas Corporation
Client	Central Hudson Electric & Gas Corporation
Intended use	To aid in estimating the sale price of the Subject
Appraisal date	October 1, 2022
Date of the report	November 1, 2022
Land area	0.33 acres (14,375 square feet)
Property rights appraised	Leasehold interest in land
Property type	Real property rights in a permanent easement
Zoning designation	A3A, Agricultural District
Highest and best use	Agricultural use
<b>Final Value Conclusion</b>	
Permanent Easement	\$6,600



## **2.1 Ownership History and Easement Rights**

Central Hudson is the fee simple owner of the land underlying the Permanent Easement. NY Transco will be granted a perpetual permanent easement to 0.33 acres (14,375 square feet), north of the Milan Substation designated area.

The Permanent Easement provides NY Transco non-exclusive land rights for use, access, and occupancy to operate and maintain a 345 kilovolt (“kV”) transmission line. The Permanent Easement is non-exclusive in that third parties may use the land as long as they do not “materially interfere” with NY Transco’s right to use, access, and occupy the property for its designated use.



### 3.0 REGIONAL OVERVIEW

The Permanent Easement is located in the central portion of the Town of Milan, in the northern portion of Dutchess County, New York. The county is comprised of two cities known as Poughkeepsie and Beacon, 20 towns, 8 villages, and 36 hamlets.

Dutchess County is part of the lower Hudson Valley region of New York State and is situated along the east side of the Hudson River approximately 60 miles north of New York City. The county contains 825 square miles and lies along the east side of the Hudson River opposite

Orange and Ulster Counties, south of Columbia County, southwest of Berkshire County, Massachusetts, west of Litchfield County, Connecticut, northwest of Fairfield County, Connecticut, and north of Putnam County.

#### *Transportation*

Dutchess County has several main highways cutting through its borders including Interstate 84, running east-west; U.S. Route 9, the Taconic State Parkway and State Route 22, running north-south; and U.S. Route 44, State Route 55 and State Route 199, running east-west.

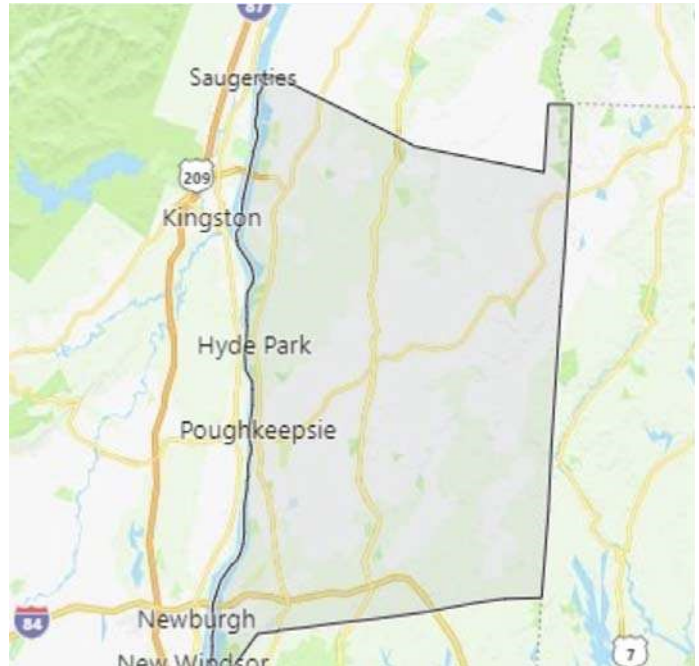
The county has access to several airports including the New York Stewart International Airport in the City of Newburgh on the west side of the Hudson River, the Hudson Valley Regional Airport in the Town of Wappinger, and Sky Park Airport, a general aviation facility in Red Hook.

Mass transportation via bus service in Dutchess County is provided by Dutchess County Public Transit, and intercity bus service provided by Leprechaun Lines and Short Lines. Rail services are available on Amtrak with stations in Rhinecliff and Poughkeepsie. Train service via Metro-North Railroad is available along the Hudson Line with stops in the Hamlet of New Hamburg in Poughkeepsie and Beacon.

#### *Demographics*

The demographics of Dutchess County are summarized in the following figures.

#### DUTCHESS COUNTY, NEW YORK





**DUTCHESS COUNTY POPULATION DATA**

<b>Years</b>	<b>Population</b>	<b>Annual Growth Rate</b>	
2000	280,147		
2010	297,488	2000-2010	0.620%
2021	293,729	2010-2021	-0.13%
2026	291,880	2021-2026	-0.13%
		Median Age	39.7
		Males	49.8%
		Females	50.2%

*Source: easidemographics.com*

**DUTCHESS COUNTY HOUSEHOLD DATA**

<b>Years</b>	<b>Households</b>	<b>Annual Growth Rate</b>	
2000	99,538		
2010	107,965	2000-2010	0.85%
2021	108,637	2010-2021	0.06%
2026	108,711	2021-2026	0.01%
		Avg Household Size	2.57
		Families	72,895

*Source: easidemographics.com*

**HOUSEHOLD INCOME**

	<b>Median</b>	<b>Average</b>	<b>Per Capita</b>
Dutchess County	\$75,375	\$93,856	\$35,113
New York	\$60,676	\$86,504	\$33,195
United States	\$55,760	\$76,188	\$29,253

*Source: easidemographics.com*

**HOUSEHOLD INCOME COMPARISON**

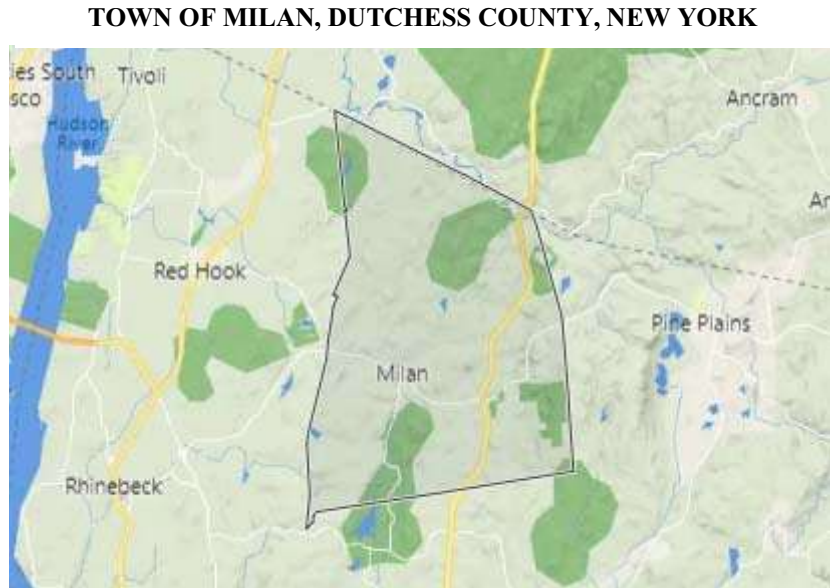
	<b>Total Units</b>	<b>Owner</b>	<b>Renter</b>	<b>Vacant</b>	<b>Vacancy</b>	<b>Median Rent</b>	<b>Home Value</b>
Dutchess County	118,638	75,068	32,897	10,673	9.0%	\$939	\$301,800
New York	8,108,103	3,897,837	3,419,918	790,348	9.7%	\$934	\$291,442
United States	131,704,730	75,986,074	40,730,218	14,988,438	11.4%	\$733	\$180,945



### 3.1 Neighborhood Description

The Subject is located in the central portion of the Town of Milan in the northern portion of Dutchess County. The Town of Milan encompasses 36.6 square miles of land area south of the border of Columbia County, east of the Towns of Red Hook and Rhinebeck,

north of the Towns of Clinton and Stanford, and west of Pine Plains. The Town of Milan as of 2021 had a population of 2,390 people and is projected to decrease to 2,371 people by 2026. The number of households in the town as of 2021 was 990 and is projected to remain



stable through 2025. The average household size was 2.45 and the median age was 45.4. There are 1,279 housing units in the Town of Milan with 781 units (61.1 percent) owner-occupied, 183 units (14.3 percent) renters, and 315 units (24.6 percent) vacant. The median rent is \$962 per month and the median value of an owner-occupied home is \$343,137. The income characteristics of the Town of Milan include a median household income of \$71,282, an average household income of \$95,164 and per capita income of \$38,756.

In comparison, based on the statistics presented for Dutchess County, the Town of Milan's population accounts for only 0.8 percent of the total population of the county. The population in the county and town are both expected to decline over the next five years, and the number of households are expected to grow by 0.01 percent in the county and remain stable in the town. The median rent and the median value of an owner-occupied home are higher than the overall county. The Town of Milan's median household income and per capita income are lower when compared to the Dutchess County statistics, but the average household income is higher in the town.



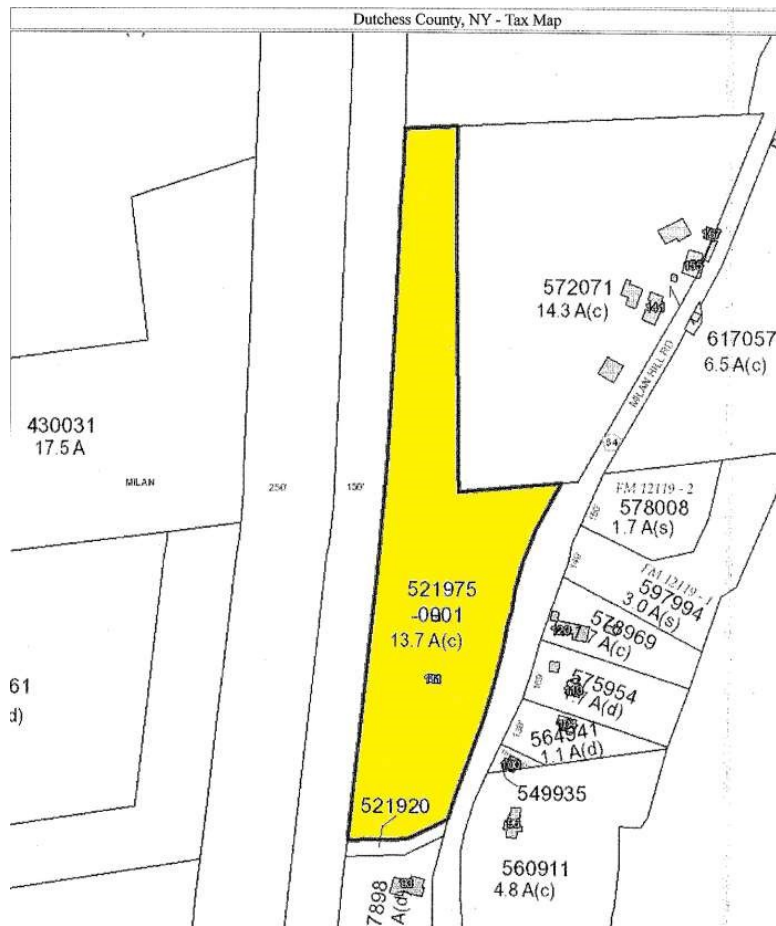
#### 4.0 PROPERTY DESCRIPTION

The subject property consists of the Permanent Easement is part of Parcel 6471-00-521975-0001 located in the Town of Milan. The total land area is 13.7 acres (596,772 square feet) and contains six high tension poles. NY Transco is planning to replace these existing poles which are connected to the Milan Substation.

The Permanent Easement comprises 0.33 acres (14,375 square feet) of the larger parcel. It is situated along the north and east sides of the boundaries of the Milan Substation owned and operated by Central Hudson. The Permanent Easement is irregular in shape, with 161.89 feet of frontage along the 400 feet of electric transmission line to the west. It includes a 20-foot-wide access easement from Milan Hill Road, located northeast of the substation.

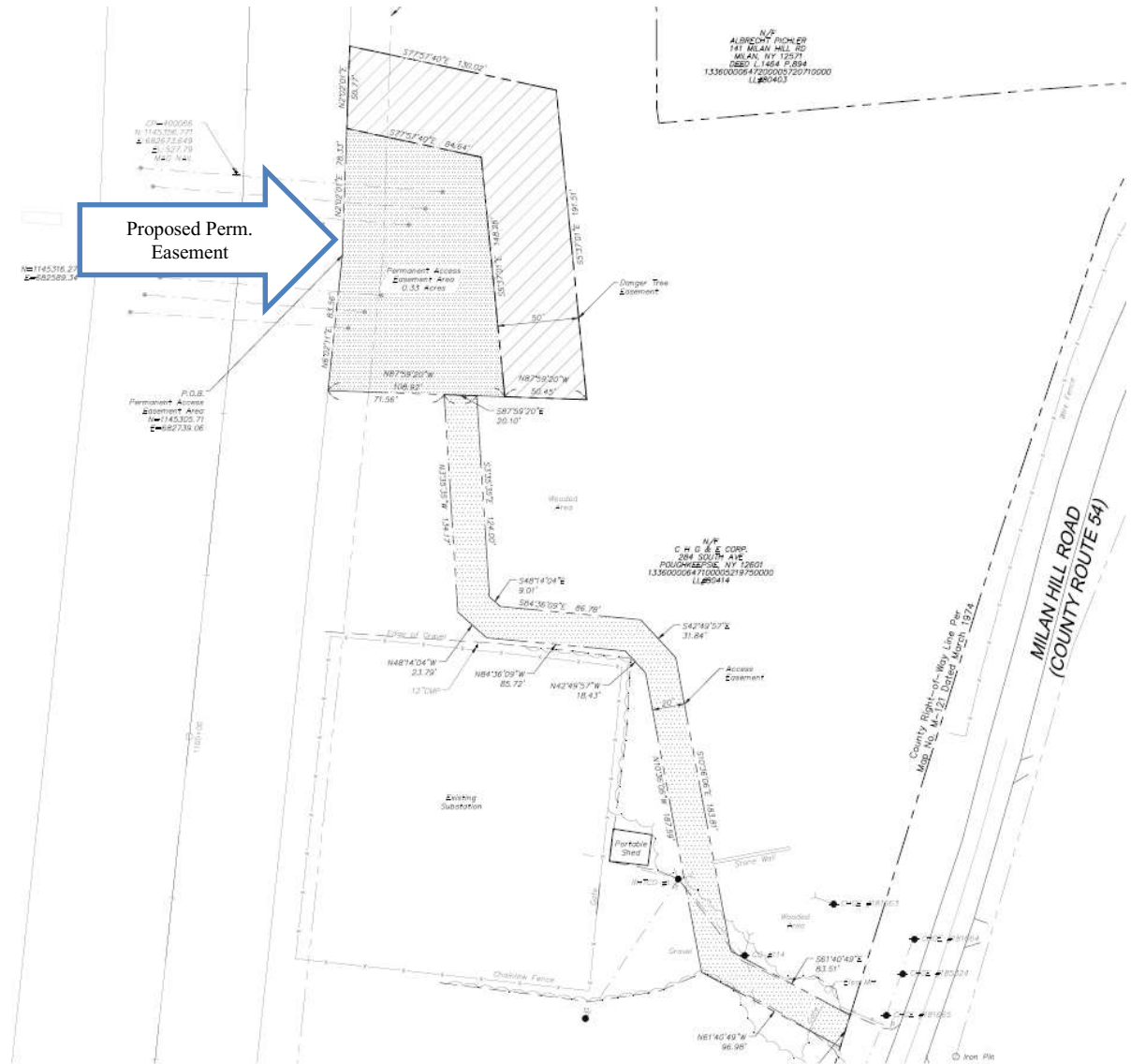
The property is in Flood Hazard Zone X (an area determined to be outside the 0.2 percent annual chance floodplain), based on the FIRM Community Panel No. 36027C0160E with an effective date of May 2, 2012.

TAX MAP





**SURVEY MAP**





#### **4.1 Maps and Photographs**

In this section, we provide aerial images and photographs of the Subject.

##### **AERIAL IMAGE**



**Permanent Easement is North of Milan Substation**

**CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
MILAN SUBSTATION PERMANENT EASEMENT  
As of October 1, 2022**



**Milan Substation – Looking North**



## 4.2 Zoning

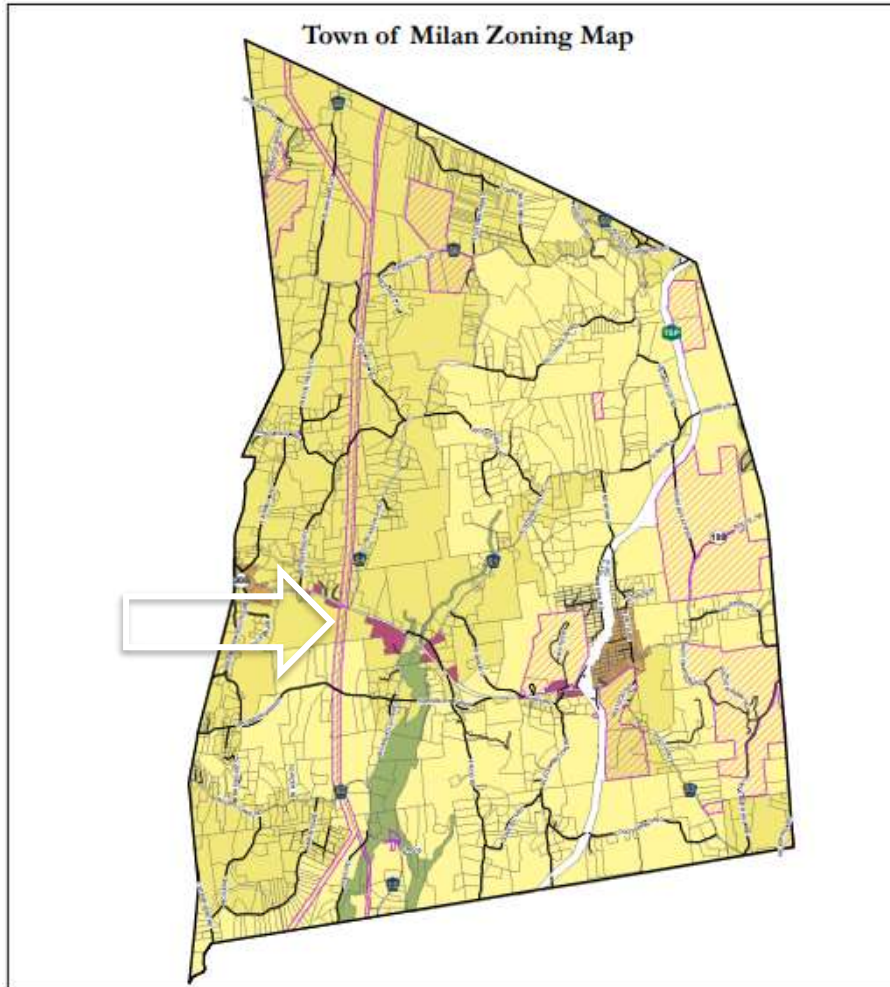
The underlying parcel is located in the A3A, Agricultural District in the Town of Milan. The purpose of the agricultural district is to provide an area where both agricultural and residential uses can exist together. The district encourages the importance of the natural resources and open space with low density development and maintaining traditional development patterns. Permitted uses in the A3A District include agriculture, animal husbandry, distillery, winery or brewery, farm, forest management, forest nurseries, forest services, stables, timber tracts, wildlife preserve; single family dwellings, alternative care facilities, family day care homes, mobile homes on individual lots; golf courses and parks; places of worship; bed-and-breakfast, commercial greenhouses and nurseries, craft shops. Public utility substations are not permitted uses in the A3A District and would require a special use variance for approval. The zoning details are provided in the following figure.

SUMMARY OF ZONING DEATIL

	A5A	A3A	R2A Dwellings	District R2A Nondwellings	HA	HB <sup>2</sup>	LC
Minimum lot area (acres)	5	3	2	2 <sup>1</sup>	1 <sup>1</sup>	1 <sup>1</sup>	1 <sup>1</sup>
Minimum lot width (feet)	400	300 <sup>1</sup>	200 <sup>1</sup>	200 <sup>1</sup>	100 <sup>1</sup>	200/ 240 <sup>3</sup>	200
Area per group of establishments (acres)						5	
Minimum lot width per group of businesses (feet)						400	
Minimum front yard <sup>4</sup> (feet)	85	85	75 <sup>5</sup>	100 <sup>5</sup>	20	80 <sup>6</sup>	80 <sup>7</sup>
Minimum side yard (both) (feet)	50	35	30 <sup>8</sup>	60 <sup>8</sup>	0/20	60 <sup>8</sup>	50 <sup>7</sup>
Minimum rear yard (feet)	50	35	25	50	25	50	50 <sup>7</sup>
Maximum lot coverage (percent)	5	10	7	7	50	10 <sup>11</sup>	5
Maximum height (feet) <sup>10</sup>	35	35	35	35	35	35	
Parking setback (feet)						20 <sup>9</sup>	
Floor area ratio						0.10	



**LAND USE MAPS**



Map Prepared By Dutchess County  
Department of Planning and Development  
Issued February 2016

Zoning District boundaries are created by the  
Municipalities. These maps are based on  
information supplied by the Municipalities,  
per agreement with Dutchess County Department of  
Planning and Development. Zoning district lines  
are updated at the pleasure of the Municipality.  
Check with local municipal officials for most  
recent boundary delineations.





### 4.3 Assessment and Property Tax Data

The Subject's assessed value, the current property tax rate, equalization rate, and its real estate tax liability for the 2022/2023 tax year are summarized in the following figure.

#### SUMMARY OF TAX ASSESSMENT AND PROPERTY TAX DATA

Parcel	6471-00-521975-0001
Land Assessment	\$184,000
Building Assessment	<u>3,329,400</u>
Total Assessment	\$3,513,400
County Tax	\$10,009.22
Town Tax	7,810.06
MF019 Milan Fire Prot	2,253.51
School Tax	<u>38,024.75</u>
Total Tax	\$58,097.54

The above real estate tax assessments and taxes represent the entire property.



## 5.0 VALUATION APPROACHES AND DEFINITIONS

Real property values are estimated based on three distinct methods of data analysis: the cost approach, the sales comparison approach, and the income approach. One or more of these methods are used in all estimations of value. The application of each method is determined by the availability of data, the purpose of the appraisal, and the type of property being appraised. In the following paragraphs, we describe each method of valuation.

The *cost approach* is based on the premise that the informed purchaser will pay no more than the cost of producing a substitute property with the same utility as the subject. This approach requires an accurate estimate of land value as well as a determination of the cost to replace all existing improvements less any depreciation. Use of this approach is best suited for special purpose properties (those with limited users and potential buyers) and newly constructed properties.

The *sales comparison approach* derives an estimate of value by comparing similar properties that have sold recently or are currently offered for sale in the same or competing market areas. The sales are analyzed on the basis of their differences relative to one another and the subject. Adjustments to the sale prices are most often made for such factors as time, conditions of sale, location, functionality, and physical condition.

The *income approach* derives an estimate of value by converting the actual or anticipated future income generated by a property into a present value. This conversion is accomplished either by capitalizing a one-year income estimate or by the discrete discounting of several years' incomes into a present value. To implement this approach, the income producing capability of the property must be analyzed and the market rate of return on such an investment must be determined.

In developing our opinion of the market value for the Permanent Easement we use the sales comparison approach.

### 5.1 Definitions

#### *Market Value*

Market value is defined as follows: “The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;



- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or concessions granted by anyone associated with the sale.”<sup>1</sup>

#### *Date of Value Estimate*

The Appraisal Date is October 1, 2022, which identifies when the appraisal valuation analysis and report were prepared.

#### *Intended Users of the Appraisal*

The intended users of the appraisal are Central Hudson, NY Transco, New York Public Service Commission and government agencies reviewing the transaction of the subject property. Any reliance upon this report by anyone else is unintended. It is understood that this report will be used to assist Central Hudson and NY Transco in negotiating the transfer price for a permanent easement with certain rights.

This report is not to be relied upon for an unintended use or by any unintended users as it does not contain sufficient information for an adequate understanding by others, especially those unaccustomed to reading appraisal reports. Thus, relying upon this report may not serve the needs of those not specifically listed above.

#### *Real Property Rights Appraised*

The real property rights appraised are the leasehold interests in a permanent easement granted by Central Hudson to NY Transco pursuant to an agreement for certain rights for use, access, and occupancy.

*Leased Fee Interest* – An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others, the rights of the lessor.

*Fee Simple Estate* – Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

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<sup>1</sup> Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2020-2021.



*Leasehold Interest* – The right held by the lessee to use and occupy real estate for the stated term and under the conditions specified in the lease.

*Marketing Period*

The marketing period is divided into reasonable exposure time and reasonable marketing time.

*Reasonable Exposure Time*

Exposure time is always presumed to precede the effective date of the appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of the appraisal. It is a retrospective estimate based on an analysis of recent events, assuming a competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. Exposure time and our conclusion of value are therefore interrelated.

Exposure time is often expressed as a range and is based on direct and indirect market data gathered during the market analysis, sales verifications, and interviews with market participants and other appropriate sources. The time that a property requires marketing is dependant on a number of factors including market conditions, listing price, terms of sale offered, and competitive listing inventory. Based on discussions with real estate brokers, the availability of mortgage financing, the demand for this particular property type, and specific information regarding sales of comparable properties, we estimate that an exposure time necessary to achieve our estimate of market value is up to 12 months.

*Reasonable Marketing Time*

A reasonable marketing time is the period a prospective investor would forecast to sell the property immediately after the effective date, at the value estimated. Anticipated marketing time is essentially a measure of the perceived level of risk associated with the marketability, or liquidity, of the property. The sources for this information include those used in estimating the reasonable exposure time, but also an analysis of the anticipated changes in market conditions following the date of the appraisal. In other words, the reasonable marketing time is the number of months it will require to sell the Subject after the Appraisal Date, at the appraised value.

The future price for the Subject (at the end of the marketing time) may or may not equal our concluded opinion of value stated herein. The future price depends on unpredictable changes in the physical real estate, demographic and economic trends; real estate markets in general, supply and demand characteristics for the property type, and many other factors.



Based upon current market activity as well as the Subject's location and property type, we estimate that a marketing time of up to 12 months would be required to achieve our estimated value stated herein.

*Extraordinary Assumptions*

An extraordinary assumption is defined by USPAP as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>2</sup>

This appraisal does not employ any extraordinary assumptions.

*Hypothetical Conditions*

A hypothetical condition is defined by the USPAP as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.”<sup>3</sup>

This appraisal does not employ any hypothetical conditions.

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<sup>2</sup> *Uniform Standards of Professional Appraisal Practice*, The Appraisal Foundation, 2020-2021, page 4.

<sup>3</sup> *Ibid.*



## 6.0 HIGHEST AND BEST USE

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”<sup>4</sup>

The concept of highest and best use begins with the highest and best use of the land. If a site has existing improvements on it, the highest and best use may be different from its existing use. The existing use will, however, continue to be the highest and best use until highest and best use of land as-if vacant exceeds the total value of the property as currently improved.

The determination of highest and best use is not a fact to be found, rather it is an opinion based on judgment and analytical assessment. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use.

Highest and best use reflects a basic assumption about real estate market behavior - the price a buyer will pay for a property is based on the buyer’s conclusions about the most profitable use of the site or the property. Therefore, upon sale, sites and improved properties tend to be put to their highest and best use.

In analyzing the highest and best use, the land must first be considered in terms of the use to which it is physically suited and adaptable to the site; and legally permitted in terms of zoning, deed and other legal restrictions. It then must be determined if it is financially feasible in terms of market demand and which use represents the maximally productive or highest present worth of the benefits to be derived from the use of the real estate. As the existing improvements can be removed, it is necessary to analyze the highest and best use of both the site, as if vacant, and of the property as improved, to determine if the vacant land value (less demolition expense) exceeds the value of the property as improved.

### 6.1 Physical/Functional Factors

The subject property is located within a singular parcel with approximately 13.7 acres. The proposed Permanent Easement consists of a permanent access easement with a total of 0.33 acres.

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<sup>4</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, Chicago, 2016.



The adjacent areas of the Permanent Easement are primarily rural low-density agricultural and residential areas. If the property was not utilized for a public utility facility, it would most likely be agricultural land as currently zoned.

The underlying land is part of a larger assemblage of transmission line property. From a physical perspective, the assemblage of all the parcels, the clearing and maintenance of access, as well as the construction and maintenance of the towers and related lines and equipment is a substantial undertaking.

## **6.2 Legal Consideration**

As previously noted, the underlying parcel is zoned for agricultural and low density residential use, and public utility facilities are not permitted uses within the A3A Agricultural District. It is noted that the existence of this assemblage is a major consideration as there would be substantial obstacles and cost to recreate any portion of the assemblage including the subject property. In addition to the federal and state permitting process, legal and extensive engineering would be required. New York State is a heavily regulated state; therefore, the existence of this linear assemblage is a substantial consideration.

There may be claims of condemnation by adjacent property owners resulting in reduced property values. Also, if there are any parcels acquired in a partial taking by government, there would be claims of severance damage to the remainder of such parcels.

## **6.3 Financial Feasibility/Market Conditions**

The subject property forms a part of the transmission corridor which provides essential services by providing electrical power to the New York City metropolitan area. While transmission of electric power is regulated, net revenue is typically sufficient to satisfy the required rate of return plus operating expenses and financial obligations. Accordingly, the parcel as part of an assemblage is financially feasible.

## **6.4 Maximum Productivity**

The highest and best use of the subject property would be as if vacant for agricultural uses. The highest and best use as improved would be the continuation of the existing use as a public utility facility.



## **7.0 SALES COMPARISON APPROACH**

The sales comparison approach is based on an analysis of similar properties located in market areas that are the same or similar to the Subject. The purchase price of each comparable sale is adjusted for quantitative and qualitative factors to account for dissimilarities relative to the subject. These factors include time and condition of sale, location, size, shape, and property utility, as they all influence market value. The adjusted valuation metric from each comparable sale are then compared and finally reconciled to derive a market value estimate for the subject.

As previously mentioned, the market approach is based on the principle of substitution, which implies that a prudent buyer would pay no more than the purchase price of a comparable substitute property.

The five stages in developing the sales comparison approach are:

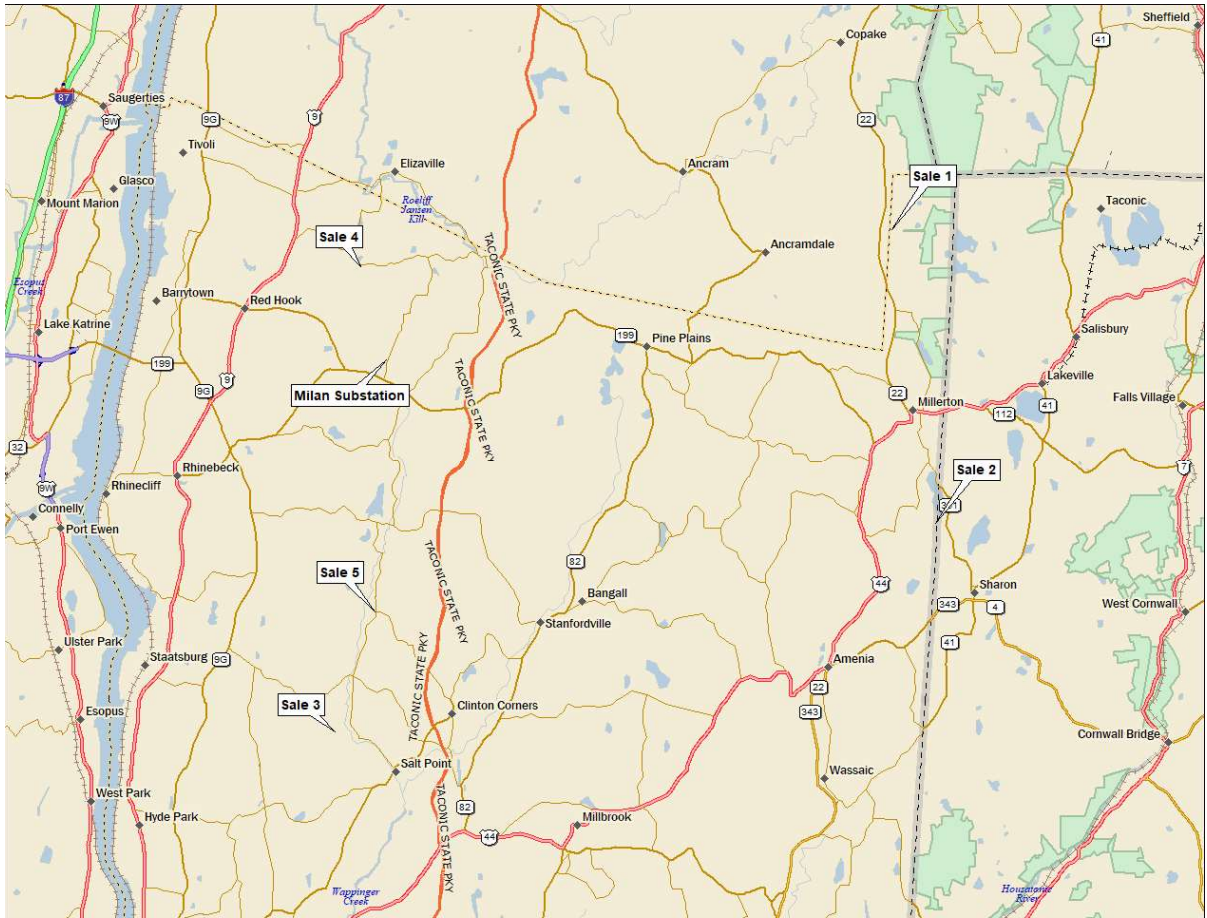
1. Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject in terms of characteristics such as location, land and building size, design, market appeal, date of sale, and zoning.
2. Verify the information by confirming that the data obtained are accurate and that the transactions reflect arm's length market considerations. Verification may also elicit additional information about the market.
3. Select relevant units of comparison such as gross sale price, dollars per square foot of land area, and per square foot of building area.
4. Compare the comparable sales to the subject property using the selected elements of comparison and adjust the sale price of each comparable sale appropriately, or eliminate the sale as a comparable.
5. Reconcile the various value indications produced from the analysis of the comparable sales into a single value indication or a range of values.

### **7.1 Comparable Sales Analysis**

Below, we provide a location map of comparable land sold for agricultural uses, followed by a description of each transaction, and finally an analysis to develop our opinion of the subject's market value.



**COMPARABLE LAND SALE  
 LOCATION MAP**



**LAND SALES SUMMARY**

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>	<b>Comparable 5</b>
Address	White House Crossing Rd Northeast, NY	Taylor Rd Northeast, NY	Clinton Ave Clinton, NY	630 Turkey Hill Rd Milan, NY	Centre Rd Clinton, NY
Date of Sale	05/21/2021	01/22/2021	04/06/2020	12/22/2020	10/08/2020
Sale Price	\$125,000	\$210,000	\$125,000	\$90,000	\$260,000
Land Size	6.0 acres	8.85 acres	10.14 acres	11.64 acres	17.93 acres
Price/Acre	\$20,833/acre	\$23,729/acre	\$12,327/acre	\$7,732/acre	\$14,501/acre



COMPARABLE LAND SALE #1



**Property Identification**

Address White House Crossing Rd, Northeast  
Dutchess County, NY  
Tax ID 7273-00-109960-0000

**Sale Data**

Grantor Philip Gellert  
Grantee Peggy Reynolds  
Sale Date May 21, 2021  
Deed Book/Page 22021/52472

Sale Price \$125,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 6.0 Acres (261,360 SF)

**Indicators**

Sale Price/Acre \$20,833  
Sale Price/SF \$0.48

**Comments**

Sale of a 6.0-acre site zoned for agricultural use. The site is approximately 85 percent cleared and 15 percent tree covered. The property has no wetlands. The site has no access to public water or sewer.



**COMPARABLE LAND SALE #2**



**Property Identification**

Address Taylor Road, Northeast,  
 Dutchess County, NY  
 Tax ID 7269-00-700628-0000

**Sale Data**

Grantor Lionel Goldfrank  
 Grantee Derek Drew  
 Sale Date January 22, 2021  
 Deed Book/Page 22021/443

Sale Price \$210,000

**Land Data**

On Site-Water/Sewer none/none  
 Land Size 8.85 Acres (385,506 SF)

**Indicators**

Sale Price/Acre \$23,729  
 Sale Price/SF \$0.54

**Comments**

Sale of an 8.85-acre site zoned for agricultural use. The site is 100 percent cleared. The property has no wetlands. The site has no access to public water or sewer.



COMPARABLE LAND SALE #3



**Property Identification**

Address Clinton Avenue, Clinton,  
Dutchess County, NY  
Tax ID 6366-00-851465-0000

**Sale Data**

Grantor Liam McGlauffin  
Grantee Elisabeth Strauss  
Sale Date April 6, 2020  
Deed Book/Page 22020/1910

Sale Price \$125,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 10.14 Acres (441,698 SF)

**Indicators**

Sale Price/Acre \$12,327  
Sale Price/SF \$0.28

**Comments**

Sale of a 10.14-acre site zoned for agricultural use. The site is approximately 40 percent cleared and 60 percent tree covered. The property has approximately 25 percent wetlands. The site has no access to public water or sewer.



COMPARABLE LAND SALE #4



**Property Identification**

Address 630 Turkey Hill Rd, Milan,  
Dutchess County, NY  
Tax ID 6473-00-142350-0000

**Sale Data**

Grantor Red Wing Properties Inc.  
Grantee Kathryn Elizabeth Osborn  
Sale Date December 22, 2020  
Deed Book/Page 22021/234

Sale Price \$90,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 11.64 Acres (507,038 SF)

**Indicators**

Sale Price/Acre \$7,732  
Sale Price/SF \$0.18

**Comments**

Sale of an 11.64-acre site zoned for agricultural use. The site is approximately 35 percent cleared and 65 percent tree covered. A small creek runs through the central portion of the site. The site has approximately 70 percent wetlands. The site has no access to public water or sewer.



**COPARABLE LAND SALE #5**



**Property Identification**

Address Centre Road, Clinton,  
Dutchess County, NY  
Tax ID 6468-00-372264-000

**Sale Data**

Grantor Judith Fehlig  
Grantee David Bledin  
Sale Date October 8, 2020  
Deed Book/Page 22020/4114

Sale Price \$260,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 17.93 Acres (781,030 SF)

**Indicators**

Sale Price/Acre \$14,501  
Sale Price/SF \$0.33

**Comments**

Sale of a 17.93-acre site zoned for agricultural use. The site is approximately 65 percent cleared and 35 percent tree covered. The Little Wappinger Creek runs through the western portion of the site. The site has approximately 15 percent wetlands. The site has no access to public water or sewer.



**COMPARABLE LAND SALE ADJUSTMENT GRID**

	<b>Subject</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Address	111 Milan Hill Rd Milan	White House Crossing Northeast	Taylor Rd Northeast	Clinton Ave Clinton	630 Turkey Hill Rd Milan	Centre Rd Clinton
Sale Date		21-May-21	22-Jan-21	6-Apr-20	22-Dec-20	8-Oct-20
Property Type	Public Utility	Agr. Vac.	Agr. Vac.	Agr. Vac.	Agr. Vac.	Agr. Vac.
Zoning	A3A	A5A	A5A	A5A	A3A	A5A
Land Area (acres)	0.33	6.00	8.85	10.14	11.64	17.93
Land Area (SF)	14,375	261,360	385,506	441,698	507,038	781,030
Flood Zone	no	no	no	partial	no	partial
Topography	rolling	rolling	rolling	rolling	rolling	generally level
Tree Coverage	100.0%	15.0%	0.0%	60.0%	65.0%	35.0%
Wetlands	0.0%	0.0%	0.0%	25.0%	70.0%	15.0%
Shape	irregular	irregular	irregular	irregular	irregular	irregular
Public water/sewer	no	no	no	no	no	no
Sale Price		\$125,000	\$210,000	\$125,000	\$90,000	\$260,000
Price/Acre		\$20,833	\$23,729	\$12,327	\$7,732	\$14,501
Rights Conveyed		0.00%	0.00%	0.00%	0.00%	0.00%
Terms: Sale/Financing		0.00%	0.00%	0.00%	0.00%	0.00%
Condition of Sale		0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Price/SF		\$20,833	\$23,729	\$12,327	\$7,732	\$14,501
Market Condition						
Market Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Price/SF		\$20,833	\$23,729	\$12,327	\$7,732	\$14,501
Other Adjustments						
Location		-10.00%	-10.00%	0.00%	0.00%	0.00%
Size		15.00%	20.00%	25.00%	25.00%	30.00%
Utility		0.00%	0.00%	0.00%	0.00%	0.00%
Tree Coverage		-10.00%	-10.00%	-5.00%	-5.00%	-10.00%
Wetlands		0.00%	0.00%	5.00%	20.00%	5.00%
Net Adjustments		-5.00%	0.00%	25.00%	40.00%	25.00%
Adjusted Price/SF		\$19,792	\$23,729	\$15,409	\$10,825	\$18,126
Price/AC - Low	\$10,825					
Price/AC - High	\$23,729					
Price/AC - Average	\$17,576					

*Market Condition/Time* - All comparable sales transacted between April 2020 and May 2021 in a relatively stable market for agricultural property. There is no observable evidence from the comparables presented of a material change due to market conditions. Therefore, no adjustments are required for market conditions/time.

*Location* – Comparables #3, 4, and 5 are located in similar areas to the Subject and require no adjustments. Comparables #1 and 2 are located in a more desirable community closer to Poughkeepsie in comparison to the subject; therefore, downward adjustments are applied.



*Size* – The proposed Permanent Easement contains 0.33 acres. All of the comparable sales are larger than the Subject. Based on economies of scale theory, where larger properties tend to sell at a lower unit price compared to smaller properties, upward adjustments are applied accordingly.

*Utility* – The proposed Permanent Easement area is irregular in shape and has a generally level to rolling topography and lies at road grade along Milan Hills Road. All of the comparable sales had a similar topography to the Subject and require no adjustments.

*Tree Coverage* – The proposed Permanent Easement area is situated in an area covered by dense trees and bushes. All of the comparable sales had lower tree and bush coverage on the sites. Downward adjustments are required for the additional costs associated with the removal of the trees and bushes in comparison to the Subject.

*Wetlands* – The proposed Permanent Easement has no wetland areas on the site. Comparables #3, 4 and 5 all included varying amounts of wetland areas on their sites, and upward adjustments have been applied accordingly. Comparable Sales 1 and 2 had no wetland areas; therefore, no adjustments are required.

#### *Unit Per Acre Fee Value Conclusion*

The adjusted comparable values range between a low of \$10,825 per acre up to \$23,729 per acre. However, Comparables #1, 2, 3, and 5 are more closely grouped and have been given more weight. We have estimated a land value for the Permanent Easement at \$19,500 per acre.

## **7.2 Assemblage and Non-Exclusivity Factors**

The Permanent Easement is a part of a larger assemblage of property specifically for electric transmission. In this context, the highest and best use is no longer general purpose, but when assembled, have a highest and best use that is of greater value. This concept of higher utility is sometimes referred to as a “corridor factor” and includes a developer’s profit for assemblage of adjacent parcels.

An assemblage factor adjusts for the value enhancement which reflects the greater utility of the corridor that has been assembled over the individual parcels. In other words, there exists a premium in the marketplace for assemblage or aggregation of contiguous parcels. This is particularly the case when constructing long, narrow and continuous strips of special-use land for electric transmission lines.<sup>5</sup> The upper limit for the buyer is the cost of assembling nearby parcels.

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<sup>5</sup> Hunsperger, McGuire and Throupe, “Transit Corridor Valuation: Issues and Methods,” *The Appraisal Journal*, Summer 2012, p. 242.



The Permanent Easement is a part of a substation and transmission corridor in Dutchess County, NY, a populated area about 85 miles from New York City and in proximity to other densely populated commercial areas in Poughkeepsie and Westchester County, NY. The assemblage factor reflects the “entrepreneurial reward for assemblage” over the individual parcels of land.<sup>6</sup> Therefore, the entrepreneurial profits or incentives in creating the assemblage are typically included in the premium. The assemblage premium, especially in the context of valuing transit and transmission corridors, is a widely accepted concept in the appraisal community.<sup>7</sup>

Assemblage factors can range between 1.1 and 6.0 of adjacent land value with most being between 1.5 and 2.6. Based on our analysis, we select a factor of 1.5 which is at the lower end of the range as the size of the total assemblage of the subject property is a relatively small part of a larger corridor. We apply this factor to the unit land value to reflect the highest and best use of the Permanent Easement.

*Non-Exclusivity Factor*

The Permanent Easement includes the rights of use and access of the parcel on a *non-exclusive* basis. We understand that Central Hudson will retain the surface and subservient rights. Accordingly, our assessment is that the lessor commands a position that is somewhat above parity compared to NY Transco. Based on this, it is our opinion that the non-exclusivity factor is 0.40 for the proposed Permanent Easement.

Based on our concluded value of \$19,500 per acre, we summarize the market value for each parcel in the following figure.

**SUMMARY OF PARCEL MARKET VALUE – ASSEMBLAGE FACTOR APPLIED**

<b>Parcel</b>	<b>Acreage</b>	<b>\$/Acre</b>	<b>Fee Simple</b>	<b>Assemblage Factor</b>	<b>Nonexclusive Factor</b>	<b>Parcel Value</b>
Permanent Easement	0.33	\$19,500	\$6,435	1.5	0.4	\$3,861

**7.3 Site Improvements**

We have considered comparable vacant land sales that are primarily multiple-acre and zoned for agricultural use. The comparable sales are unrelated to each other and are in the same general region of New York State. As is often the case in a rural area, larger sites tend to have relatively small frontage per acre with the rear acreage left in its natural forested condition. Such sites are typically developed in this manner due to the high cost of roads and utility lines, coupled with the sloped terrain of the area. A portion of the lots consist of the front area cleared with extra depth of undeveloped

<sup>6</sup> Ibid., p. 243.

<sup>7</sup> Ibid.



acres. In addition to the assemblage of the parcels which make up the Permanent Easement, we consider the costs of (i) clearing the land and (ii) building roadways. The roadways are necessary in order to access the Permanent Easement for the purpose of maintaining transmission lines and towers. We rely on Marshall & Swift's cost manual to estimate these costs.

*Land Clearing Cost*

No land clearing costs are required and the Permanent Easement area is cleared, similar to the comparables.

*Roadway Construction Cost*

For roadway costs, we use the Subdivision Development section of Marshall & Swift's cost manual. Based on our inspection of aerial photos, we estimate that there are about 140 linear feet of shared access roads for the proposed Permanent Easement. We summarize our cost for roadways in the following figure.

**ROADWAY CONSTRUCTION COST**  
(Amount in Whole U.S. Dollars, Except Where Indicated)

	<b>Permanent Easement</b>
Marshall, Section/Pg	Sec 66/Page 1
Type	Gravel/20ft wide
Base Cost / LF	\$37.50
Local Multiplier	1.16
Current Cost Multiplier	<u>1.01</u>
Adj. Base Cost / LF	\$43.94
Linear Feet	<u>140</u>
Total Road Const.	\$6,151

*Entrepreneurial Profit on Site Improvements*

Entrepreneurial profit is the amount of money the developer would expect for the time and risk associated with construction of the site improvements. To estimate entrepreneurial profit, we use the following assumptions: (i) the cost of equity for the project is 10 percent and (ii) the estimated time to complete clearing the land and building roadways is about 12 months. In the following figure, we summarize our calculation for the cost of the site improvements.



*Summary of Market Value - Site Improvements*

**MARKET VALUE OF SITE IMPROVEMENTS**  
(Amounts in Whole U.S. Dollars)

<b>Total Land Clearing Cost</b>	<b>Permanent Easement</b>
Land Clearing Costs	\$0
Road Costs	<u>6,151</u>
Subtotal	6,151
Entrepreneurial Profit	<u>615</u>
Subtotal	6,766
Non-Exclusive Factor	<u>0.4</u>
Total Site Improvements	\$2,706

**7.4 Summary of Market Value – Permanent Easement**

Based on our analysis, it is our opinion that the market value of the proposed Permanent Easement, as of the Appraisal Date, is as shown in the following figure.

**SUMMARY OF MARKET VALUE - PERMANENT EASEMENT**  
(Amounts in Whole U.S. Dollars)

	<b>Permanent Easement</b>
Parcel Value	\$3,861
Site Improvements	<u>2,706</u>
Market Value	<u>\$6,567</u>
Market Value (rounded)	<u>\$6,600</u>



**APPENDIX I**

**APPRAISAL CERTIFICATION**



### Appraisal Certification

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.

Unless specified elsewhere in this report, we have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice*.

Kerry Marinaccio has not inspected the property that is the subject of this report.

No one provided significant professional assistance to the person signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Kerry Marinaccio has completed the requirements of the continuing education program of the Appraisal Institute, and is licensed in the State of New Jersey (License No. RG0001324), State of New York (License No RG 46000051799), State of Pennsylvania (GA004573) and State of Florida (License No. RZ3222).

Kerry L. Marinaccio, MAI

Alkesh Desai



**APPENDIX II**

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**



### **Statement of Assumptions and Limiting Conditions**

1. This appraisal is for no purpose other than property and business enterprise valuation as described in the scope of the appraisal, and we are neither qualified nor attempting to go beyond this narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.
2. It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report.
3. No survey of the property has been made by Appraisal Economics Inc. and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by us and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.
4. No responsibility is assumed for matters of a legal nature that affect title to the property, nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of it nor do we give any legal opinion concerning it.
5. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.
6. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items are based only on rudimentary investigation. Any significant question should be addressed to local zoning or land use officials or an attorney.
7. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials or an attorney should be consulted if an interested party has any questions or concerns on



these items as we have not made a comprehensive examination of laws and regulation affecting the subject property.

8. This appraisal should not be considered a report on the physical items that are part of the property. Although the appraisal may contain information about the physical items being appraised (including their adequacy or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. We are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.
9. The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanical and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and we made no attempt to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.
10. Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.
11. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering that may be required to discover such factors. As no engineering or pecculation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.
12. Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.
13. We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.



14. No chemical or scientific tests were performed by us on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.
15. The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. We therefore rely on circumstantial evidence which may come into our possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on site personnel, or others. Parties interested in knowing the exact age of improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.
16. Because no detailed inspection was made and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we strongly suggest that a construction expert be hired for a detailed investigation.
17. As can be seen from limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by us (that go beyond the scope of our ordinary knowledge), our inability to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.
18. There is also an economic constraint, however. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it would be most efficient, but inevitably there is significant possibility that we do not possess all information relevant to the subject property.
19. Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point which they believe to be important to their decision-making. This will enable such interested parties to determine whether they consider the extent of our data gathering process



was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

20. Information (including projections of income and expenses) provided by local sources, such as governmental agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by us.
21. The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
22. Engineering analysis of the subject property were neither provided for use nor made part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by us and the value conclusions are subject to said limitations.
23. All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the Valuation Date contained in this report or the date of our field inspection, whichever occurs first.
24. Because projected mathematical models and other projections are based on estimates and assumptions that are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that actually are achieved.
25. This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance is released, the value given in this report is subject to change without notice.
26. Opinions and estimates expressed herein represent our best judgement, but should not be construed as advice or recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgement, and the decision process should consider many factors other than just the value estimate and information given in this report.
27. Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property of the real estate market. While no factors we believe to be significant yet unknown to the client have been knowingly withheld, it is always possible that we have information of significance that may be



important to others but which, with our limited acquaintance of the property and our limited expertise, does not seem to be important to us.

28. Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.
29. We should be contacted with any questions before the report is used for decision making.
30. This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.
31. There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.
32. This report is made for the information or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of Appraisal Economics Inc. Nor shall we or the professional organization of which we are members be identified without our written consent.
33. It is suggested that those who possess this appraisal report should not release copies to others. Certainly legal advice should be obtained on potential liability issues before this is done. Anyone who releases an incomplete or altered copy of this appraisal report (including all attachments) does so at their own risk and assumes complete liability for harm caused by reliance upon an incomplete or altered copy. We do not assume any liability for harm caused by reliance upon an incomplete or altered copy of this appraisal report released by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact our office.
34. Values and conclusions for various components of the subject parcel as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.



**APPENDIX III**

**PROFESSIONAL QUALIFICATIONS**

## **KERRY L. MARINACCIO, MAI**

### ***Education***

Appraisal Institute, MAI.

Rutgers College, Rutgers University, B.A., Political Science - 1992

University of New South Wales (Australia), Masters of Real Estate - 2002

### ***Experience***

Kerry L. Marinaccio has been a real estate appraiser since 1992 with experience specializing in commercial and industrial valuation on a national basis primarily for major Fortune 500 corporations and financial institutions. Mrs. Marinaccio's experience covers the performance of fair market valuations, investment and discounted cash flow analysis, highest and best use studies, and feasibility analysis. Valuations have been performed as a function for the allocation of purchase price, financing, property syndication, sales, and ad valorem tax appeals. These aspects of appraisal work have been performed for leading financial institutions, national, and international manufacturing corporations and developers. Valuations have been performed on the following types of properties.

- Commercial - Income producing real estate i.e., office buildings, shopping centers, department stores, hotels, apartment buildings, auto dealerships, mixed-use developments, residential and commercial sub-division analysis.
- Industrial - Manufacturing plants and warehouses up to 3,000,000 square feet, high-tech buildings, research and development facilities.
- Special Use Properties - Distilleries, landfills, oil refinery, steel mills, paper mills, and lumber yards.

Mrs. Marinaccio has appeared as an expert witness in court testimony in local and state courts in New Jersey, Pennsylvania, and Ohio.

### ***Affiliations***

Appraisal Institute – MAI

Certified as a General Appraiser in the State of New Jersey - License No. RG 001324

Certified as a General Appraiser in the State of New York - License No. 46000051799

Certified as a General Appraiser in the State of Florida - License No. RZ 3222

Certified as a General Appraiser in the State of Pennsylvania – License No. GA004573

Certified Tax Assessor, State of New Jersey



## **ALKESH DESAI**

Alkesh Desai is a manager in the Appraisal Economics Inc. valuation services group where he is responsible for the valuation of machinery and equipment. He has performed and supervised an extensive number of tangible asset valuation and business consulting engagements, including those for due diligence, financing, allocation of purchase price, management planning, insurance, liquidation, and property tax.

Mr. Desai has performed and managed valuations in numerous industries such as chemical, cogeneration, construction materials, electrical, electronics, health care, manufacturing, pharmaceutical, plastics, coal, hydro, solar, and wind power, pulp and paper, telecommunications, textiles, and transportation.

### **Previous Experience**

#### **KPMG**

Prior to joining Appraisal Economics, Mr. Desai worked as an associate for the accounting firm KPMG. Working in the valuation department, he was responsible for appraisals of real estate and machinery and equipment.

#### **Ernst & Young**

Mr. Desai was an analyst of capital equipment in the valuation group. His work included the valuation of tangible assets in the electronic manufacturing, process, and brewery industries.

#### **RBSA Valuation Advisors LLP**

Mr. Desai was a valuation engineer at RBSA Valuation Advisors LLP. His work included the valuation of real estate and machinery and equipment in the plastic, steel, injection molding, and textile industries.

#### **Reliance Industries Limited**

Mr. Desai worked as a manager at Jamnagar Refinery (world's largest refinery). He performed startup activities for a 750MW captive power plant and provided extensive support for piping execution in the refinery.



## **Education**

Bachelor of Mechanical Engineering (BEng)  
Gujarat University (India) (Distinction)

Masters of Science - Finance (MSc)  
Bradford University (UK) (Distinction)

Mr. Desai is a candidate with the American Society of Appraisers.

## **Representative Clients**

Affordable Suites of America  
Alpine Sun GmbH  
Baxter International  
Capital District Energy Center  
Cedar Reality Trust  
Clark Hill  
Consolidated Edison  
Corinth Generating Station  
Davis Core & Pad Company  
Drew Foam  
ECG Management  
Ecoelectrica  
Eklutna Hydro Power Plant  
Frontier Imaging Services  
Global Net Lease  
Hackensack UMC  
Imperial Irrigation District  
Imperial Valley College  
Iowa Lakes Electric Cooperative

IVC Solar  
Joe Hudson's Collision Centers  
Kite Realty  
Linden Warehouse & Distribution  
Lindsay Goldberg  
Minnesota Attorney General  
Mohawk Fine Paper  
Molson Coors Brewing Company  
Nokia Corporation  
Port Townsend Paper  
Prairie State Generating Company  
Reiss Capital Management  
Seritage Growth Properties  
Shade Tree  
Shop One Centers  
Stearns Bank  
Stinson Coal  
Sun Chemical  
Tri-Imaging Solutions

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**Confidential**

**CENTRAL HUDSON GAS &  
ELECTRIC CORPORATION**

*Land Easement  
Pleasant Valley, New York*

**MARKET VALUE STUDY  
as of January 24, 2023**



**APPRAISAL ECONOMICS**  
Independent Valuation Experts



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## APPENDICES

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## **1.0 EXECUTIVE SUMMARY**

Pursuant to the authorization of Central Hudson Electric & Gas Corporation (“Central Hudson”), Appraisal Economics Inc. has conducted an appraisal of a proposed permanent easement located near the Pleasant Valley Substation in Dutchess County, New York. (the “Permanent Easement” or the “Subject”). The purpose of this appraisal is to assist Central Hudson in its transfer of the Permanent Easement to New York Transco LLC (“NY Transco”). We perform our valuation as of January 24, 2023 (the “Appraisal Date”).

Central Hudson, the lessor, is transferring the Permanent Easement which is part of a larger project to upgrade the capacity of a regional transmission corridor. The lessee is NY Transco, a partnership made up of New York State’s transmission owners, including Central Hudson, Con Edison, National Grid, New York State Electric & Gas, Orange and Rockland Utilities, and Rochester Gas and Electric. Its mission is to pursue electric transmission upgrade projects as specified in the New York Energy Highway Initiative.

The procedures that we use in determining the market value of the Permanent Easement include the following items:

1. Discussions with Central Hudson management about the rights being transferred and responsibility of the parties regarding maintenance and other ongoing expenses;
2. Review documentation provided by Central Hudson including the permanent easement agreement, survey, property description, deed for the parcel, tax map, and aerial photographs available to the public;
3. Analysis of regional and local economic and demographic data that impacts the real estate market;
4. Collection of data specific to the Subject’s physical characteristics and neighborhood from primary and secondary sources;
5. Review of data regarding taxes, zoning, utilities, easements, and municipal services;
6. Identification of sales transactions for use in developing the sales comparison approach;
7. Confirmation of all sales data to the extent practical using one or more of the following: public records, principals, managers, and real estate agents representing principals;



8. Reconciliation of the market value for each comparable sale to develop our final opinion of the Permanent Easement's market value;
9. Estimation of a reasonable exposure time and marketing time associated with our opinion of market value;
10. Preparation of this summary appraisal report in which we present our data, analysis, and conclusion.

It is our opinion that the market value of the Permanent Easement, as of the Appraisal Date, is:

**THIRTEEN THOUSAND U.S. DOLLARS**  
**\$13,000**

Our valuation is intended to comply with the Uniform Standards of Professional Appraisal Practice ("USPAP") promulgated by the Appraisal Standards Board of The Appraisal Foundation. The Appraisal Foundation is authorized by the U.S. Congress as the source of appraisal standards and qualifications. This report is an "appraisal report" as defined by USPAP. We have not previously performed services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Our value estimate of this appraisal analysis assumes that the subject property is free from any adverse environmental contamination and that no toxic materials are present within the soil.

We do hereby represent that we have the knowledge and experience required to perform this appraisal competently and that we have no present nor contemplate future interest or bias with respect to the subject matter of this appraisal report or the parties involved.

***APPRAISAL ECONOMICS INC.***

*Appraisal Economics Inc.*

Date of Report: February 7, 2023



## 2.0 SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property address	Permanent Easement North of the Pleasant Valley Substation Town of Pleasant Valley, Dutchess County, New York
Parcel number	Part of 6363-02-515520 and 6363-03-190442
Owner of record	Central Hudson Electric & Gas Corporation
Client	Central Hudson Electric & Gas Corporation
Intended use	To aid in estimating the market value for the sale of the Subject between affiliated entities
Appraisal date	January 24, 2023
Date of the report	February 7, 2023
Land area	0.264 acres (11,510 square feet)
Property rights appraised	Leasehold interest in land
Property type	Real property rights in a permanent easement
Zoning designation	OI - Office Industrial District
Highest and best use	Industrial use
<b>Final Value Conclusion</b>	
Permanent Easement	\$13,000



## 2.1 Ownership History and Easement Rights

Central Hudson is the fee simple owner of the land underlying the Permanent Easement. NY Transco will be granted a perpetual permanent easement of 0.264 acres (11,510 square feet), north of the Pleasant Valley Substation designated area.

The Permanent Easement provides NY Transco non-exclusive land rights for use, access, and occupancy to operate and maintain a 345 kilovolt (“kV”) transmission line. The Permanent Easement is non-exclusive in that third parties may use the land as long as they do not “materially interfere” with NY Transco’s right to use, access, and occupy the property for its designated use.

Based on the Grant Easement and Right of Way Agreement between Central Hudson Gas & Electric Corporation (Grantor) and New York Transco LLC (Grantee), the grantee retains the following rights:

(A) Operate, maintain, relocate, construct and to protect, repair, replace and remove, in, upon, over and under said easement and right of way any and all poles, towers, lines of poles, lines of towers, supporting structures, cables, cross arms, wires, braces, underground conduits, pipes, mains, ducts, and all other appurtenances and fixtures necessary or adaptable to the present and future needs, uses and purposes of the Grantor that are presently installed or that may be installed in the future, its successors, assigns, and lessees for any public utility use; provided, however, that in connection with any expansion of Grantor’s facilities on the premises: (1) Grantee shall work with Grantor to ensure that such expansion would not materially interfere with Grantee’s transmission line facilities on the premises; and (2) Grantor shall have obtained all required regulatory and third-party approvals for such expansion; and

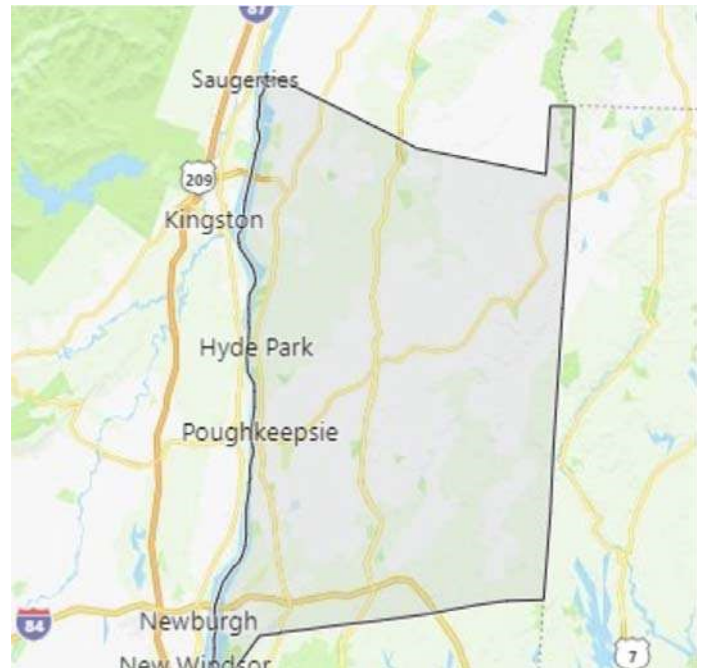
(B) Relocate or coordinate with Grantee to modify its transmission line facilities in the easement area on the premises, upon prior written notice to Grantee, provided, however, that: (1) Grantee shall work with Grantor to ensure that such relocation would not materially interfere with Grantee’s operation of its transmission line facilities; (2) Grantor shall have obtained all required regulatory and third-party approvals for such relocation; and (3) such relocation shall be at Grantor’s sole cost and expense.



### 3.0 REGIONAL OVERVIEW

The Permanent Easement is located in the eastern portion of the Town of Pleasant Valley, in the central portion of Dutchess County, New York. The county is comprised of two cities known as Poughkeepsie and Beacon, 20 towns, 8 villages, and 36 hamlets.

Dutchess County is part of the lower Hudson Valley region of New York State and is situated along the east side of the Hudson River, approximately 60 miles north of New York City. The county contains 825 square miles and lies along the east side of the Hudson River opposite



Orange and Ulster Counties, south of Columbia County, southwest of Berkshire County, Massachusetts, west of Litchfield County, Connecticut, northwest of Fairfield County, Connecticut, and north of Putnam County, New York.

#### *Transportation*

Dutchess County has several main highways cutting through its borders including Interstate 84, running east-west; U.S. Route 9, the Taconic State Parkway and State Route 22, running north-south; and U.S. Route 44, State Route 55 and State Route 199, running east-west.

The county has access to several airports including the New York Stewart International Airport in the City of Newburgh on the west side of the Hudson River, the Hudson Valley Regional Airport in the Town of Wappinger, and Sky Park Airport, a general aviation facility in Red Hook.

Mass transportation via bus service in Dutchess County is provided by Dutchess County Public Transit, and intercity bus service provided by Leprechaun Lines and Short Lines. Rail services are available on Amtrak with stations in Rhinecliff and Poughkeepsie. Train service via Metro-North Railroad is available along the Hudson Line with stops in the Hamlet of New Hamburg in Poughkeepsie and Beacon.

#### *Demographics*

The demographics of Dutchess County are summarized in the following figures.



**DUTCHESS COUNTY POPULATION DATA**

<b>Years</b>	<b>Population</b>	<b>Annual Growth Rate</b>	
2000	280,147		
2010	297,488	2000-2010	0.620%
2021	293,729	2010-2021	-0.13%
2026	291,880	2021-2026	-0.13%
		Median Age	39.7
		Males	49.8%
		Females	50.2%

*Source: easidemographics.com*

**DUTCHESS COUNTY HOUSEHOLD DATA**

<b>Years</b>	<b>Households</b>	<b>Annual Growth Rate</b>	
2000	99,538		
2010	107,965	2000-2010	0.85%
2021	108,637	2010-2021	0.06%
2026	108,711	2021-2026	0.01%
		Avg Household Size	2.57
		Families	72,895

*Source: easidemographics.com*

**HOUSEHOLD INCOME**

	<b>Median</b>	<b>Average</b>	<b>Per Capita</b>
Dutchess County	\$75,375	\$93,856	\$35,113
New York	\$60,676	\$86,504	\$33,195
United States	\$55,760	\$76,188	\$29,253

*Source: easidemographics.com*

**HOUSEHOLD INCOME COMPARISON**

	<b>Total Units</b>	<b>Owner</b>	<b>Renter</b>	<b>Vacant</b>	<b>Vacancy</b>	<b>Median Rent</b>	<b>Home Value</b>
Dutchess County	118,638	75,068	32,897	10,673	9.0%	\$939	\$301,800
New York	8,108,103	3,897,837	3,419,918	790,348	9.7%	\$934	\$291,442
United States	131,704,730	75,986,074	40,730,218	14,988,438	11.4%	\$733	\$180,945



### 3.1 Neighborhood Description

The Subject is located in the eastern portion of the Town of Pleasant Valley in the central portion of Dutchess County. Pleasant Valley encompasses 33.1 square miles of land area south of the Town of Clinton, west of Washington, north of the Town of LaGrange, and east of the City of Poughkeepsie and the Town of Hyde Park. Pleasant Valley as of 2021 had a population of 9,579 people and is projected to decrease to 9,508 people by 2026. The number of households in the town as of 2021 was 3,795 and is projected to increase to 3,796 by 2026. The average household size is 2.56 and the median age was 41.6. There are 3,765 housing units in Pleasant Valley with 2,684 units (66.3 percent) owner-occupied, 1,081 units (26.7 percent) renters, and 284 units (7.0 percent) vacant. The median rent is \$1,034 per month and the median value of an owner-occupied home is \$298,113. The income characteristics of Pleasant Valley includes a median household income of \$76,478, an average household income of \$89,503 and per capita income of \$35,090.



In comparison, based on the statistics presented for Dutchess County, Pleasant Valley's population accounts for only 3.3 percent of the total population of the county. The population and the number of households are projected to increase similar to the county. The median rent and the average owner-occupied home value are also higher than the county. Pleasant Valley's median household income, average household income, and per capita income are all higher when compared to the Dutchess County statistics.



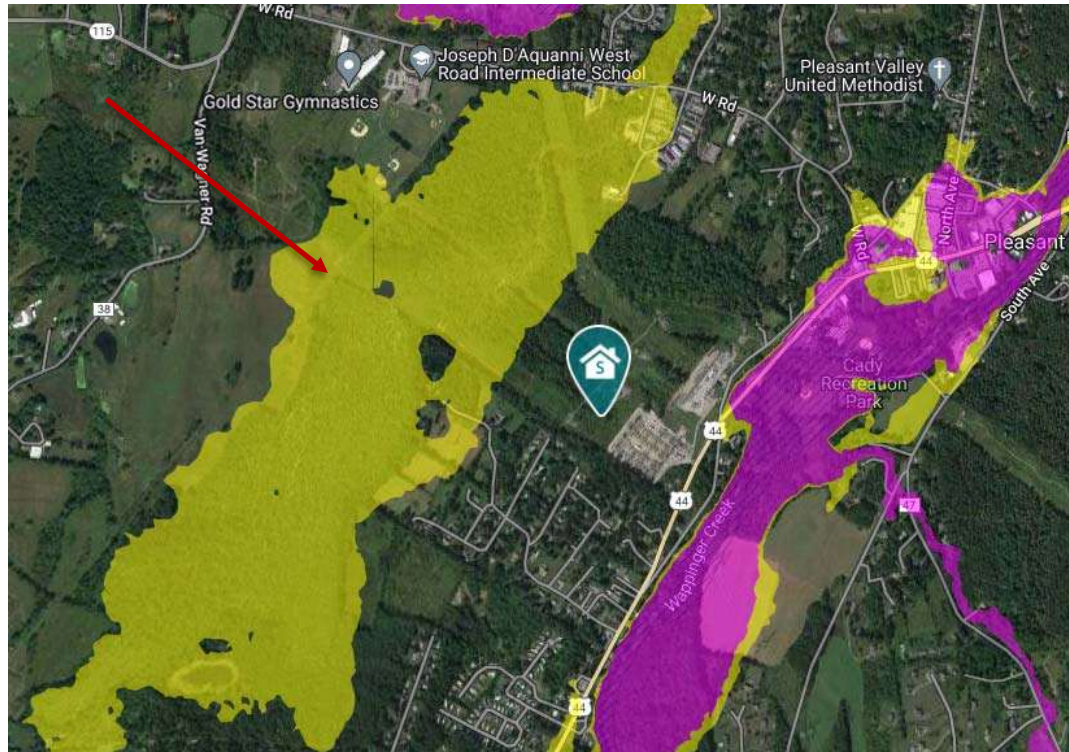
#### 4.0 PROPERTY DESCRIPTION

The Subject property consists of a permanent easement which is part of Parcel 6363-02-515520 and 6363-03-190442 located in the Town of Pleasant Valley. Parcel 6363-02-515520 has a total land area of 128.29 acres (5,588,555 square feet). The larger parcel contains two transmission towers and approximately 2,000 linear feet of double circuit overhead conductor. Parcel 6363-03-190442 has a total land area of 116.41 acres (5,070,820 square feet) and contains four high tension towers. The Permanent Easement contains one transmission tower, which has not been included as part of the valuation.

The Subject comprises 0.264 acres (11,510 square feet). It is situated along the northwest side of the boundary of land owned by Central Hudson Gas & Electric and the Pleasant Valley Substation owned and operated by Con Edison Co of New York Inc. The Permanent Easement is triangular in shape, with no road frontage, one high tension tower and electric transmission lines from two directions.

The property is in Flood Hazard Zone X500 (an area determined to be within a 500-year floodplain), based on the FIRM Community Panel No. 360221-0377 with an effective date of May 2, 2012.

#### FLOOD MAP

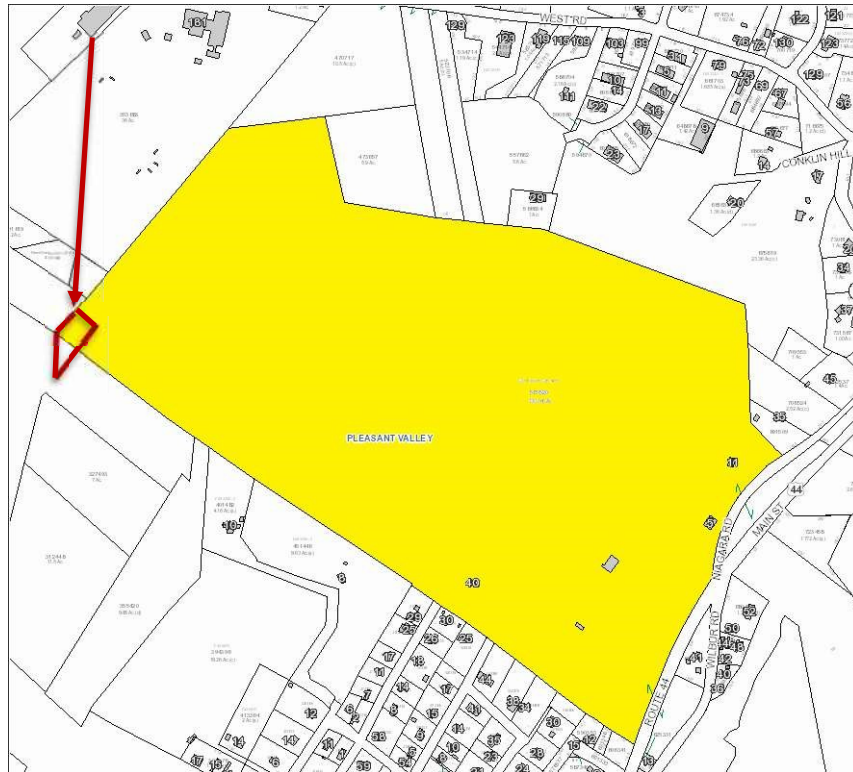




#### 4.1 Maps and Photographs

In this section, we provide a tax map, survey, and aerial images of the Subject.

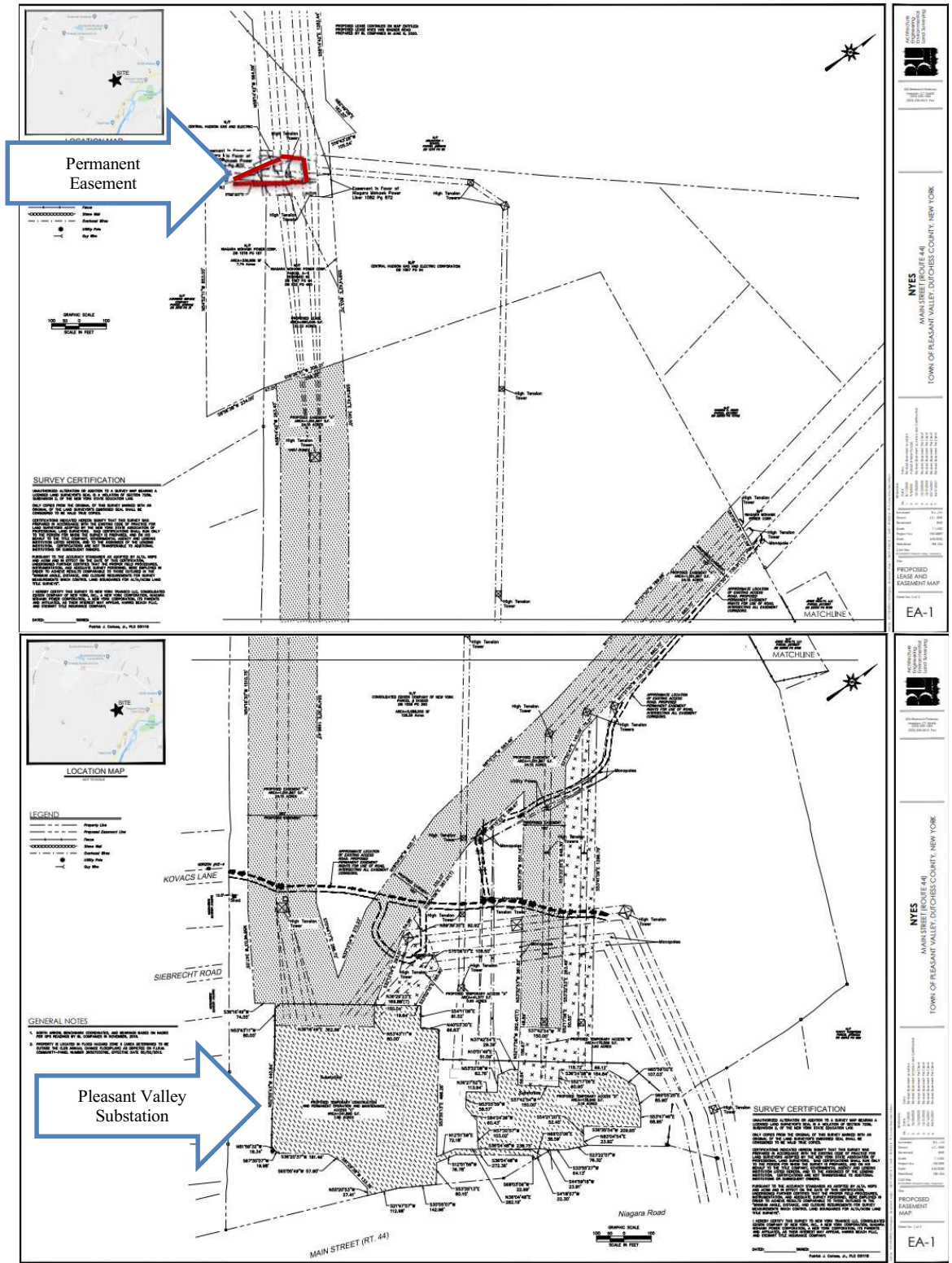
##### TAX MAP



**CENTRAL HUDSON GAS & ELECTRIC CORPORATION  
PLEASANT VALLEY LAND EASEMENT APPRAISAL  
As of January 24, 2023**

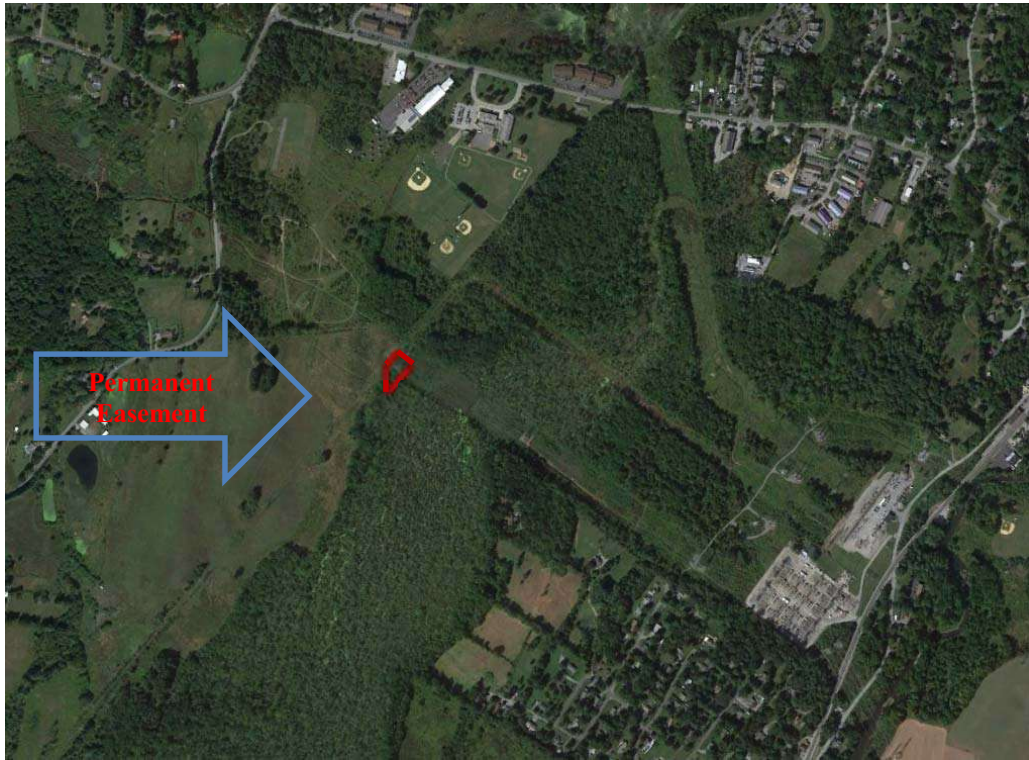


**SURVEY**





AERIAL IMAGE



Permanent Easement is Northwest of Pleasant Valley Substation



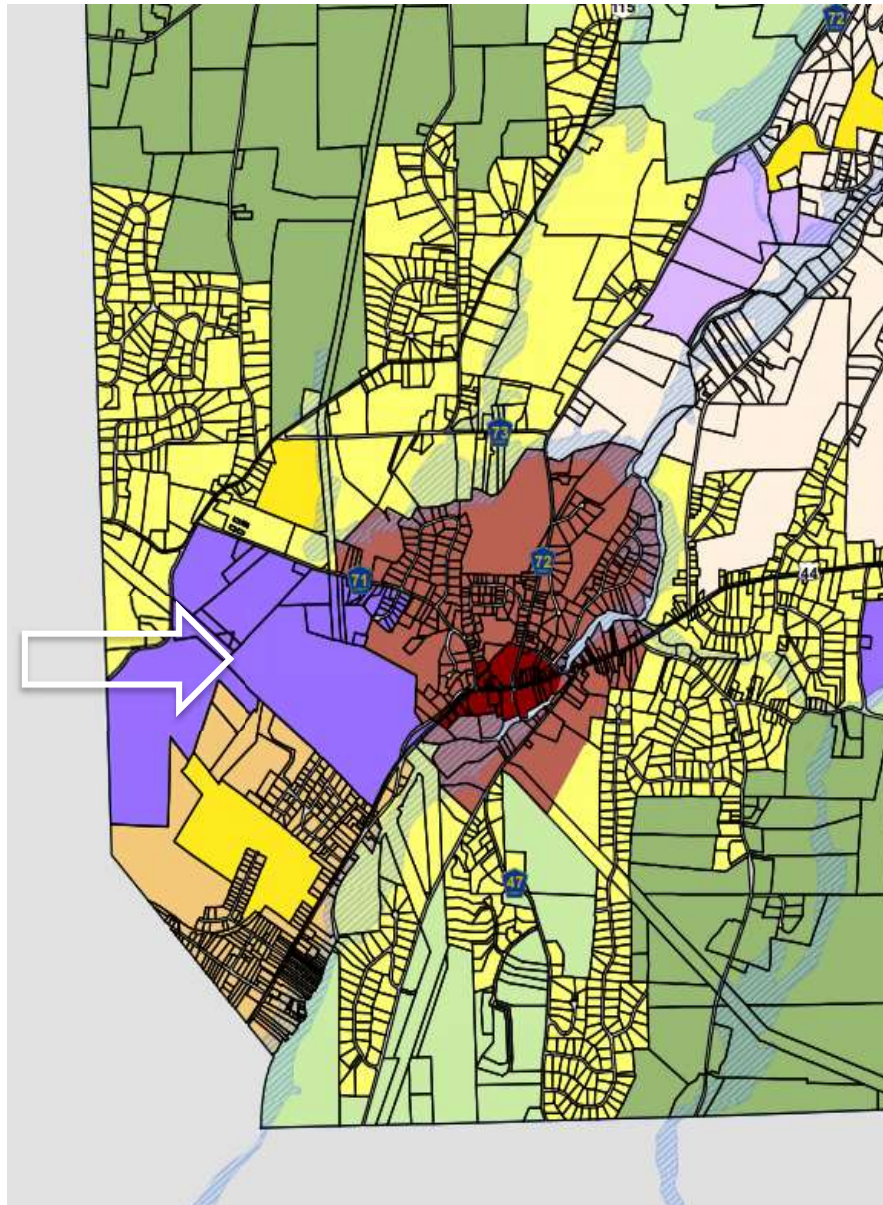
Pleasant Valley Substation – Looking North



## 4.2 Zoning

The parcel is located in the OI, Office Industrial District in Pleasant Valley. There are two large areas that have been zoned for light industrial uses, and the largest includes the Pleasant Valley substation in the western portion of the town. The other area is located at the intersection of West Road and Salt Point Turnpike. A public utility facility is a permitted use in the OI District subject to site plan approval.

### LAND USE MAPS





### **4.3 Assessment and Property Tax Data**

The Permanent Easement is situated on land acquired by Central Hudson Gas & Electric from Avangrid Service Company and Con Edison Company of New York. However, this portion of the site is not separately assessed and real estate taxes cannot be determined.



## 5.0 VALUATION APPROACHES AND DEFINITIONS

Real property values are estimated based on three distinct methods of data analysis: the cost approach, the sales comparison approach, and the income approach. One or more of these methods are used in all estimations of value. The application of each method is determined by the availability of data, the purpose of the appraisal, and the type of property being appraised. In the following paragraphs, we describe each method of valuation.

The *cost approach* is based on the premise that the informed purchaser will pay no more than the cost of producing a substitute property with the same utility as the subject. This approach requires an accurate estimate of land value as well as a determination of the cost to replace all existing improvements less any depreciation. Use of this approach is best suited for special purpose properties (those with limited users and potential buyers) and newly constructed properties.

The *sales comparison approach* derives an estimate of value by comparing similar properties that have sold recently or are currently offered for sale in the same or competing market areas. The sales are analyzed on the basis of their differences relative to one another and the subject. Adjustments to the sale prices are most often made for such factors as time, conditions of sale, location, functionality, and physical condition.

The *income approach* derives an estimate of value by converting the actual or anticipated future income generated by a property into a present value. This conversion is accomplished either by capitalizing a one-year income estimate or by the discrete discounting of several years' incomes into a present value. To implement this approach, the income producing capability of the property must be analyzed and the market rate of return on such an investment must be determined.

In developing our opinion of the market value for the Permanent Easement, we use the sales comparison approach.

### 5.1 Definitions

#### *Market Value*

Market value is defined as follows: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:



- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or concessions granted by anyone associated with the sale.”<sup>1</sup>

#### *Date of Value Estimate*

The Appraisal Date is January 24, 2023, which identifies when the appraisal valuation analysis and report were prepared.

#### *Intended Users of the Appraisal*

The intended users of the appraisal are Central Hudson, NY Transco, New York Public Service Commission and government agencies reviewing the transaction of the Subject property. Any reliance upon this report by anyone else is unintended. It is understood that this report will be used to assist Central Hudson and NY Transco in negotiating the transfer price for a permanent easement with certain rights.

This report is not to be relied upon for an unintended use or by any unintended users as it does not contain sufficient information for an adequate understanding by others, especially those unaccustomed to reading appraisal reports. Thus, relying upon this report may not serve the needs of those not specifically listed above.

#### *Real Property Rights Appraised*

The real property rights appraised are the leasehold interests in a permanent easement granted by Central Hudson to NY Transco pursuant to an agreement for certain rights for use, access, and occupancy.

*Leased Fee Interest* – An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others, the rights of the lessor.

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<sup>1</sup> Uniform Standards of Professional Appraisal Practice, The Appraisal Foundation, 2020-2021.



*Fee Simple Estate* – Absolute ownership unencumbered by any other interest or estate subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

*Leasehold Interest* – The right held by the lessee to use and occupy real estate for the stated term and under the conditions specified in the lease.

#### *Marketing Period*

The marketing period is divided into reasonable exposure time and reasonable marketing time.

#### *Reasonable Exposure Time*

Exposure time is always presumed to precede the effective date of the appraisal. It is the estimated length of time the property would have been offered prior to a hypothetical market value sale on the effective date of the appraisal. It is a retrospective estimate based on an analysis of recent events, assuming a competitive and open market. It assumes not only adequate, sufficient, and reasonable time but also adequate, sufficient, and reasonable marketing effort. Exposure time and our conclusion of value are therefore interrelated.

Exposure time is often expressed as a range and is based on direct and indirect market data gathered during the market analysis, sales verifications, and interviews with market participants and other appropriate sources. The time that a property requires marketing is dependant on a number of factors including market conditions, listing price, terms of sale offered, and competitive listing inventory. Based on discussions with real estate brokers, the availability of mortgage financing, the demand for this particular property type, and specific information regarding sales of comparable properties, we estimate that an exposure time necessary to achieve our estimate of market value is up to 12 months.

#### *Reasonable Marketing Time*

A reasonable marketing time is the period a prospective investor would forecast to sell the property immediately after the effective date, at the value estimated. Anticipated marketing time is essentially a measure of the perceived level of risk associated with the marketability, or liquidity, of the property. The sources for this information include those used in estimating the reasonable exposure time, but also an analysis of the anticipated changes in market conditions following the date of the appraisal. In other words, the reasonable marketing time is the number of months it will require to sell the Subject after the Appraisal Date, at the appraised value.

The future price for the Subject (at the end of the marketing time) may or may not equal our concluded opinion of value stated herein. The future price depends on unpredictable changes in the physical real estate, demographic and economic trends;



real estate markets in general, supply and demand characteristics for the property type, and many other factors.

Based upon current market activity as well as the Subject's location and property type, we estimate that a marketing time of up to 12 months would be required to achieve our estimated value stated herein.

*Extraordinary Assumptions*

An extraordinary assumption is defined by USPAP as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.”<sup>2</sup>

This appraisal does not employ any extraordinary assumptions.

*Hypothetical Conditions*

A hypothetical condition is defined by the USPAP as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis.”<sup>3</sup>

This appraisal does not employ any hypothetical conditions.

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<sup>2</sup> *Uniform Standards of Professional Appraisal Practice*, The Appraisal Foundation, 2020-2021, page 4.

<sup>3</sup> *Ibid.*



## 6.0 HIGHEST AND BEST USE

Highest and best use is defined as:

“The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”<sup>4</sup>

The concept of highest and best use begins with the highest and best use of the land. If a site has existing improvements on it, the highest and best use may be different from its existing use. The existing use will, however, continue to be the highest and best use until highest and best use of land as-if vacant exceeds the total value of the property as currently improved.

The determination of highest and best use is not a fact to be found, rather it is an opinion based on judgment and analytical assessment. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value), another appropriate term to reflect highest and best use would be most probable use.

Highest and best use reflects a basic assumption about real estate market behavior - the price a buyer will pay for a property is based on the buyer’s conclusions about the most profitable use of the site or the property. Therefore, upon sale, sites and improved properties tend to be put to their highest and best use.

In analyzing the highest and best use, the land must first be considered in terms of the use to which it is physically suited and adaptable to the site; and legally permitted in terms of zoning, deed, and other legal restrictions. It then must be determined if it is financially feasible in terms of market demand and which use represents the maximally productive or highest present worth of the benefits to be derived from the use of the real estate. As the existing improvements can be removed, it is necessary to analyze the highest and best use of both the site, as if vacant, and of the property as improved, to determine if the vacant land value (less demolition expense) exceeds the value of the property as improved.

### 6.1 Physical/Functional Factors

The Subject is owned by Central Hudson Gas & Electric Co., but according to the Town of Pleasant Valley is located with two adjacent parcels with a total of 128.29 acres (5,588,555 square feet) of land area on parcel 6363-02-515520 and with 116.41

<sup>4</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022.



acres (5,070,820 square feet) of land area on parcel 6363-03-190442 according to municipal records. The Subject being appraised consists of one permanent easement. As previously described, the easement consists of 0.246 acres (11,510 square feet) of land in a triangular shape located north of the Pleasant Valley substation.

The adjacent areas of the Subject are primarily low-to-medium density rural residential areas that are in transition from rural areas to outer suburban areas to the northwest, north and east, higher density residential areas to the south and industrial properties to the west. If the Subject was not utilized as a public utility facility, the land under the Subject would most likely also be industrial land as currently zoned.

The Permanent Easement is part of a larger assemblage of transmission lines. From a physical perspective, the assemblage of all the parcels, the clearing and maintenance of access, as well as the construction and maintenance of the towers and related lines and equipment is a substantial undertaking.

## **6.2 Legal Consideration**

As previously noted, the parcel is zoned for office industrial use and public utility facilities are permitted with site plan approvals within this zone. It is noted, however, that the existence of this assemblage is a major consideration as there would be substantial obstacles and cost to recreate any portion of the assemblage including the Subject. In addition to the time and costs to obtain federal and state permits. Legal and extensive engineering would be required, and there would be claims of inverse condemnation by adjacent property owners due to reduced property values. If there were any parcels that needed to be acquired where a partial taking was involved, there would be claims of severance damage to the remainder of such parcels. New York State is a heavily regulated state; therefore, the existence of this linear assemblage is a highly substantial consideration.

## **6.3 Financial Feasibility/Market Conditions**

The Subject forms a part of the transmission corridor which provides essential services by providing electrical power to the New York City metropolitan area. While providers of electric power are regulated, the net revenue capable of being generated is typically sufficient to satisfy the required rate of return equal to, or greater, than the amount needed to satisfy operating expenses and financial obligations. Accordingly, the Subject parcel as part of an assemblage is financially feasible.



#### **6.4 Maximum Productivity**

The highest and best use of the Permanent Easement as if vacant would be for industrial uses. The highest and best use of the Subject as improved would be the continuation of the existing use as a public utility facility.



## 7.0 SALES COMPARISON APPROACH

The sales comparison approach is based on an analysis of similar properties located in market areas that are the same or similar to the subject. The purchase price of each comparable sale is adjusted for quantitative and qualitative factors to account for dissimilarities relative to the subject. These factors include time and condition of sale, location, size, shape, and property utility, as they all influence market value. The adjusted valuation metric from each comparable sale are then compared and finally reconciled to derive a market value estimate for the subject.

As previously mentioned, the market approach is based on the principle of substitution, which implies that a prudent buyer would pay no more than the purchase price of a comparable substitute property.

The five stages in developing the sales comparison approach are:

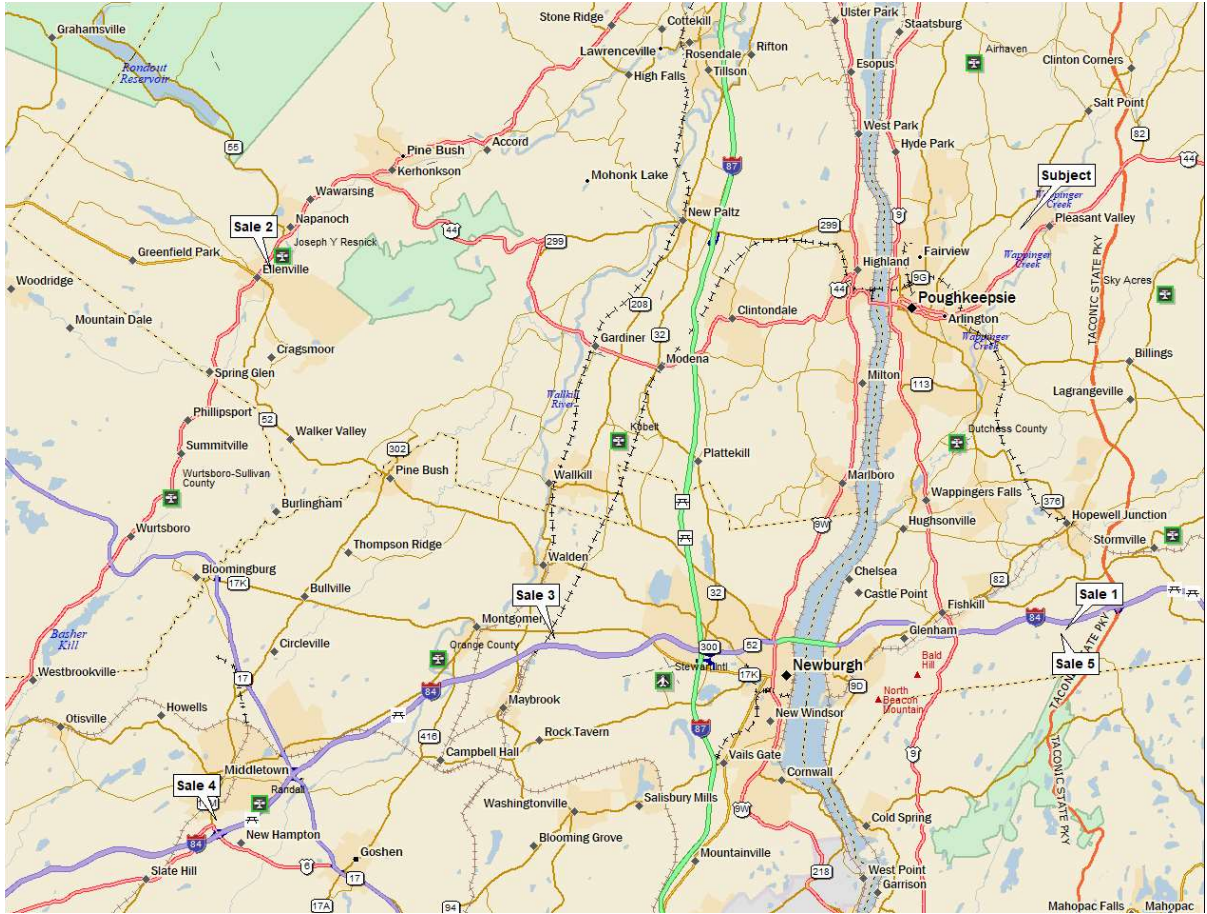
1. Research the market to obtain information on sales transactions, listings, and offers to purchase or sell properties that are similar to the subject in terms of characteristics such as location, land and building size, design, market appeal, date of sale, and zoning.
2. Verify the information by confirming that the data obtained are accurate and that the transactions reflect arm's length market considerations. Verification may also elicit additional information about the market.
3. Select relevant units of comparison such as gross sale price, dollars per square foot of land area, and per square foot of building area.
4. Compare the comparable sales to the subject property using the selected elements of comparison and adjust the sale price of each comparable sale appropriately, or eliminate the sale as a comparable.
5. Reconcile the various value indications produced from the analysis of the comparable sales into a single value indication or a range of values.

### 7.1 Comparable Sales Analysis

Below, we provide a location map of comparable land sold for industrial uses, followed by a description of each transaction, and finally an analysis to develop our opinion of the Subject's market value.



**COMPARABLE LAND SALE  
LOCATION MAP**



**LAND SALES SUMMARY**

	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>	<b>Comparable 5</b>
Address	Donovan Drive East Fishkill, NY	11 Aluminum Dr Ellenville, NY	31 Barron Rd Montgomery, NY	Dolsontown Rd Wawayanda, NY	218 Lime Kiln Rd. East Fishkill, NY
Date of Sale	02/16/2022	07/29/2022	02/24/2022	02/23/2022	05/09/2022
Sale Price	\$280,000	\$2,800,000	\$5,000,000	\$4,800,000	\$7,400,000
Land Size	2.047 acres	15.040 acres	32.800 acres	69.600 acres	107.310 acres
Price/Acre	\$136,786/acre	\$186,170/acre	\$152,439/acre	\$68,966/acre	\$68,959/acre



COMPARABLE LAND SALE #1



**Property Identification**

Address Donovan Drive, East Fishkill,  
Dutchess County, NY  
Tax ID 6455-00-288434

**Sale Data**

Grantor Donovan Drive 7A Project  
Grantee Rising Sky Housing Development LLC  
Sale Date February 16, 2022  
Deed Book/Page 22022/1314

Sale Price \$280,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 2.047 Acres (89,167 SF)

**Indicators**

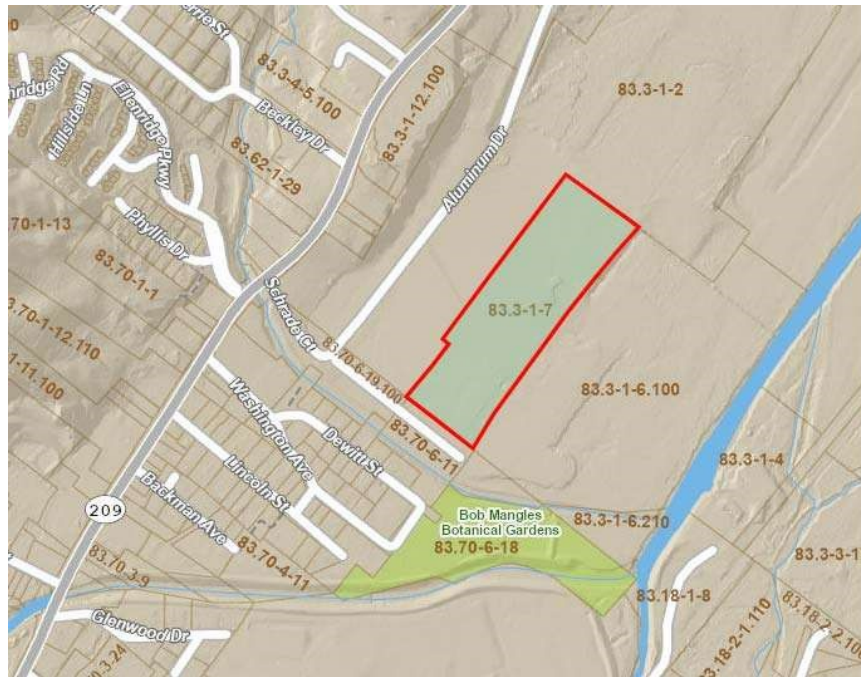
Sale Price/Acre \$136,786  
Sale Price/SF \$3.14

**Comments**

A sale of a 2.047-acre site zoned for industrial use in the I1 District. The parcel has 75 feet of frontage along Donovan Drive. It is approximately 40 percent cleared and 60 percent tree covered. The topography of the site is rolling with elevation changes between 5 and 25 feet and has no wetlands. The site has access to public utilities at the street.



COMPARABLE LAND SALE #2



**Property Identification**

Address 11 Aluminum Dr, Ellenville,  
Ulster County, NY  
Tax ID 83.70-6-11 and 83.3-1-7

**Sale Data**

Grantor 11 Aluminum Dr LLC  
Grantee JDRC Ellenville LLC  
Sale Date July 29, 2022  
Deed Book/Page 7105/290

Sale Price \$2,800,000

**Land Data**

On Site-Water/Sewer Yes/Yes  
Land Size 15.040 Acres (655,142 SF)

**Indicators**

Sale Price/Acre \$186,170  
Sale Price/SF \$4.27

**Comments**

This is a sale of a 15.040-acre site zoned for industrial use PCIM Planned Commercial Industrial and Mixed-Use District. It is 100 percent cleared. The property has wetlands and is partially located in a flood zone. The topography of the site is generally level. The site has access to public utilities. The Grantee also purchased the adjacent industrial property for \$12,000,000 on February 14, 2022.



**COMPARABLE LAND SALE #3**



**Property Identification**

Address 31 Barron Road, Montgomery,  
Orange County, NY  
Tax ID 30-1-57

**Sale Data**

Grantor Galaxy Limited  
Grantee 31 Barron LLC  
Sale Date February 24, 2022  
Deed Book/Page 15188/1133

Sale Price \$5,000,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 32.800 Acres (1,428,768 SF)

**Indicators**

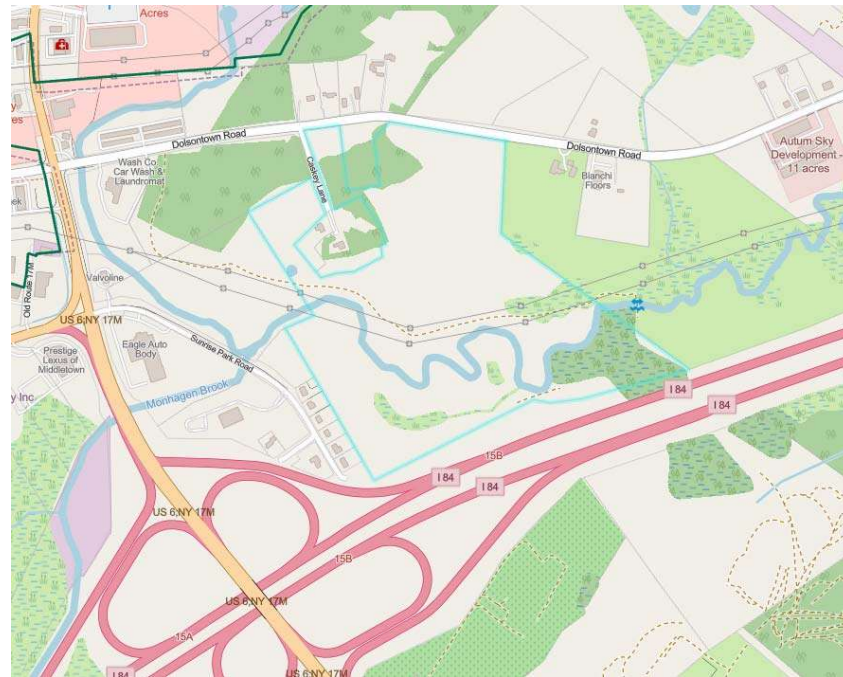
Sale Price/Acre \$152,439  
Sale Price/SF \$3.50

**Comments**

This is a sale of a 32.800-acre site zoned for industrial use. The property has frontage and access along Barron Road, and frontage only along Bracken Road and Interstate 84. The property is 90 percent tree covered with a small pond (wetland area), and a rolling topography. It includes a utility easement along the east side of the property with high tension wires. The site has access to public water or sewer. There is a small pond in the eastern portion of the site under the high-tension wires.



COMPARABLE LAND SALE #4



**Property Identification**

Address Dolsontown Road, Wawayanda,  
Orange County, NY  
Tax ID 6-1-107and 6-1-90.1

**Sale Data**

Grantor Dolsontown Park LLC  
Grantee Mid Dolsontown LLC  
Sale Date February 23, 2022  
Deed Book/Page 15202/1494

Sale Price \$4,800,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 69.600 Acres (3,031,776 SF)

**Indicators**

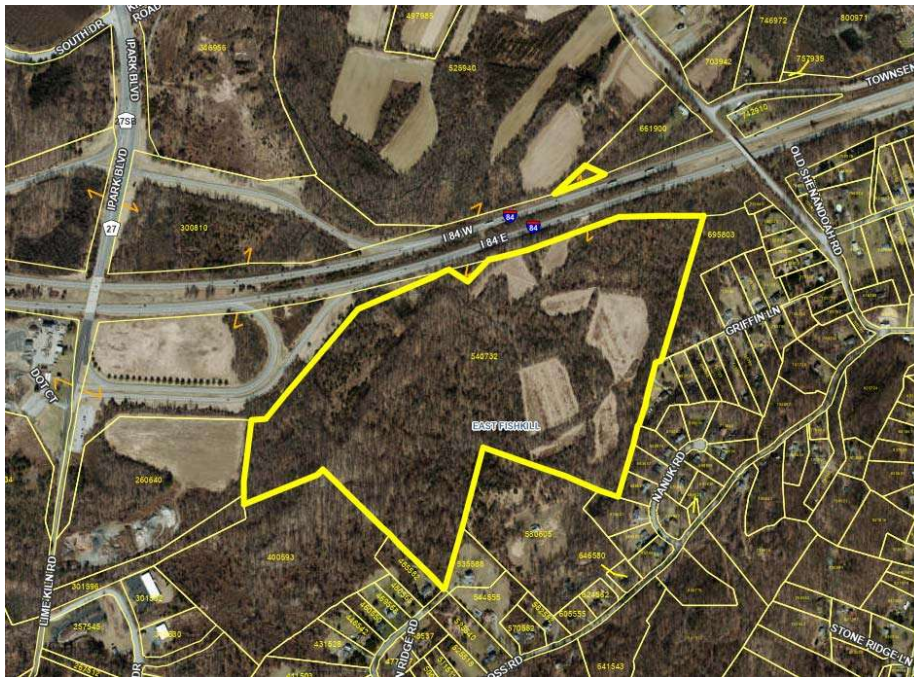
Sale Price/Acre \$68,966  
Sale Price/SF \$1.58

**Comments**

It is a sale of a 69.600-acre site zoned for industrial use in the MC1 District. The site is approximately 40 percent tree covered and 60 percent cleared. It has access to public water or sewer. There is a stream running through the center of the parcel, which is considered wetlands. There is a utility easement running through the middle of the site with high tension wires.



COPARABLE LAND SALE #5



**Property Identification**

Address 218 Lime Kiln Rd, East Fishkill,  
Dutchess County, NY  
Tax ID 6455-00-540732 and 6455-00-391596

**Sale Data**

Grantor Lance Kouri  
Grantee Donovan Drive Holdings LLC  
Sale Date May 9, 2022  
Deed Book/Page 22022/51893

Sale Price \$7,400,000

**Land Data**

On Site-Water/Sewer none/none  
Land Size 107.310 Acres (4,674,424 SF)

**Indicators**

Sale Price/Acre \$68,959  
Sale Price/SF \$1.58

**Comments**

This is a sale of a 107.310-acre site zoned for industrial use in the I1 District. The site is approximately 25 percent cleared and 75 percent tree covered and has no wetlands. It has a rolling topography with elevation changes between 25 and 50 feet above street elevation in some areas of the property. The site has access to public utilities.



**COMPARABLE LAND SALE ADJUSTMENT GRID**

	<b>Subject</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Address		Donovan Dr Pleasant Valley East Fishkill	11 Alum. Dr Ellenville	31 Barron Dr Montgomery	Dolsontown Wawayanda	218 Lime Kiln East Fishkill
Sale Date		02/16/22	07/29/22	02/24/22	02/23/22	05/09/22
Property Type	Public Utility	Ind Vac Land	Ind Vac Land	Ind Vac Land	Ind Vac Land	Ind Vac Land
Zoning	Office Industrial	I1	PCIM	Industrial	MC1	I1
Land Area (acres)	0.264	2.047	15.040	32.800	69.600	107.310
Land Area (SF)	11,500	89,167	655,142	1,428,768	3,031,776	4,674,424
Flood Zone	yes	no	yes	no	yes	no
Topography	Rolling	Rolling	Generally Level	Rolling	Rolling	Rolling
Tree Coverage	100.0%	60.0%	0.0%	90.0%	40.0%	75.0%
Wetlands	none	none	yes	yes	yes	none
Shape	Irregular	Irregular	Rectangular	Irregular	Irregular	Irregular
Access to Utilities		yes	yes	yes	yes	yes
Sale Price		\$280,000	\$2,800,000	\$5,000,000	\$4,800,000	\$7,400,000
Price/Acre		\$136,786	\$186,170	\$152,439	\$68,966	\$68,959
Property Rights Conveyed		0.00%	0.00%	0.00%	0.00%	0.00%
Terms of Sale/Financing		0.00%	0.00%	0.00%	0.00%	0.00%
Condition of Sale		0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Price/SF		\$136,786	\$186,170	\$152,439	\$68,966	\$68,959
Market Condition						
Market Adjustment		0.00%	0.00%	0.00%	0.00%	0.00%
Adj. Price/SF		\$136,786	\$186,170	\$152,439	\$68,966	\$68,959
Other Adjustments						
Location		-10.00%	-30.00%	-30.00%	0.00%	0.00%
Size		-20.00%	-15.00%	-10.00%	-5.00%	0.00%
Flood Zone		-2.00%	0.00%	-2.00%	0.00%	-2.00%
Tree Coverage		-5.00%	-10.00%	0.00%	-5.00%	-5.00%
Wetlands		0.00%	2.00%	2.00%	2.00%	0.00%
Net Adjustments		-37.00%	-53.00%	-40.00%	-8.00%	-7.00%
Adjusted Price/SF		\$86,175	\$87,500	\$91,463	\$63,448	\$64,132
Price/AC - Low	\$63,448					
Price/AC - High	\$91,463					
Price/AC - Average	\$78,544					

*Market Condition/Time* - All comparable sales transacted between February 2022 and July 2022 in a relatively stable market for industrial land. There is no observable evidence from the comparables presented of a material change due to market conditions. Therefore, no adjustments are required for market conditions/time.



*Location* – Comparables 4 and 5 are located in similar areas to the Subject and require no adjustments. Comparables #1, 2, and 3 are located in more desirable neighborhoods that are more densely developed and closer to commercial areas; therefore, downward adjustments are applied.

*Size* – The Permanent Easement contains 0.264 acres within two larger adjacent parcels. The size of the comparable properties have been compared to the size of the larger parcel the easement sits within. Comparable sales 1, 2, 3, and 4 are smaller than the overall land area. Based on economies of scale theory, where smaller properties tend to sell at a higher unit price compared to larger properties, downward adjustments are applied accordingly.

*Flood Zone* – The Permanent Easement is located within a designated flood zone. Properties located within designated flood zones are subject to additional flood insurance and stricter building requirements. Comparable Sales 1, 3, and 5 require downward adjustments for their locations outside of designated flood zones.

*Tree Coverage* – The Permanent Easement area is situated in an area covered by dense trees and bushes. Comparable sales 1, 2, 4, and 5 have a higher amount of cleared land. Downward adjustments are required for the additional costs associated with the removal of the trees and bushes in comparison to the Subject. Comparable sale 3 was 90 percent tree and bush covered and required no adjustments.

*Wetlands* – The Permanent Easement has no wetland areas on the site. Comparable Sales 2, 3, and 4 all included varying amounts of wetland areas on their sites, and upward adjustments have been applied accordingly. Comparable Sales 1 and 5 had no wetland areas; therefore, no adjustments are required.

#### *Unit Per Acre Fee Value Conclusion*

The adjusted comparable values range between a low of \$63,448 per acre up to \$91,463 per acre. Equal weight was placed on all sales. We have estimated a land value for the Permanent Easement at \$80,000 per acre.

## **7.2 Assemblage and Non-Exclusivity Factors**

The Permanent Easement is part of a larger assemblage of property specifically for electric transmission. In this context, the highest and best use is no longer general purpose, but when assembled, has a highest and best use that is of greater value. This concept of higher utility is sometimes referred to as a “corridor factor” and includes a developer’s profit for assemblage of adjacent parcels.

An assemblage factor adjusts for the value enhancement which reflects the greater utility of the corridor that has been assembled over the individual parcels. In other words, there exists a premium in the marketplace for assemblage or aggregation of



contiguous parcels. This is particularly the case when constructing long, narrow and continuous strips of special-use land for electric transmission lines.<sup>5</sup> The upper limit for the buyer is the cost of assembling nearby parcels.

The Permanent Easement is a part of a substation and transmission corridor in Dutchess County, NY, a populated area about 85 miles from New York City and in proximity to other densely populated commercial areas in Poughkeepsie and Westchester County, NY. The assemblage factor reflects the “entrepreneurial reward for assemblage” over the individual parcels of land.<sup>6</sup> Therefore, the entrepreneurial profits or incentives in creating the assemblage are typically included in the premium. The assemblage premium, especially in the context of valuing transit and transmission corridors, is a widely accepted concept in the appraisal community.<sup>7</sup>

Assemblage factors can range between 1.1 and 6.0 of adjacent land value with most being between 1.5 and 2.6. Based on our analysis, we select a factor of 1.5 which is at the lower end of the range as the size of the total assemblage of the subject property is a relatively small part of a larger corridor. We apply this factor to the unit land value to reflect the highest and best use of the Permanent Easement.

#### *Non-Exclusivity Factor*

The Permanent Easement includes the rights of use and access of the parcel on a *non-exclusive* basis. We understand that Central Hudson will retain the surface and subservient rights. Accordingly, our assessment is that the lessor commands a position that is somewhat above parity compared to NY Transco. Based on this, it is our opinion that the non-exclusivity factor is 0.40 for the Permanent Easement.

Based on our concluded value of \$80,000 per acre, we summarize the market value for the Subject in the following figure.

#### SUMMARY OF PARCEL MARKET VALUE – ASSEMBLAGE FACTOR APPLIED

Parcel	Acreage	\$/Acre	Fee Simple	Assemblage Factor	Nonexclusive Factor	Parcel Value
Permanent Easement	0.264	\$80,000	\$21,120	1.5	0.4	\$12,672

<sup>5</sup> Hunsperger, McGuire and Throupe, “Transit Corridor Valuation: Issues and Methods,” *The Appraisal Journal*, Summer 2012, p. 242.

<sup>6</sup> *Ibid.*, p. 243.

<sup>7</sup> *Ibid.*



### 7.3 Site Improvements

We have considered comparable vacant land sales that are primarily multiple-acre and zoned for industrial use. The comparable sales are unrelated to each other and are in the same general region of New York State. As is often the case in a rural area, larger sites tend to have relatively small frontage per acre with the rear acreage left in its natural forested condition. Such sites are typically developed in this manner due to the high cost of roads and utility lines, coupled with the sloped terrain of the area. A portion of the lots consist of the front area cleared with extra depth of undeveloped acres. In addition to the assemblage of the parcels which make up the Permanent Easement, we consider the costs of (i) clearing the land and (ii) building roadways. The roadways are necessary in order to access the Permanent Easement for the purpose of maintaining transmission lines and towers. We rely on Marshall & Swift Valuation Service cost manual to estimate these costs.

#### *Land Clearing Cost*

Since the concluded value of the Permanent Easement was based on the property “as is” with dense brush, no land clearing costs are required.

#### *Roadway Construction Cost*

Currently, there are no roads cleared on the Permanent Easement; therefore, no additional costs are applied for roadway construction.

#### *Entrepreneurial Profit on Site Improvements*

Entrepreneurial profit is the amount of money the developer would expect for the time and risk associated with construction of the site improvements. However, since there are no site improvements, no additional costs are applied.

### 7.4 Summary of Market Value – Permanent Easement

Based on our analysis, it is our opinion that the market value of the Permanent Easement, as of the Appraisal Date, is as shown in the following figure.

**SUMMARY OF MARKET VALUE - PERMANENT EASEMENT**  
(Amounts in Whole U.S. Dollars)

	<b>Permanent Easement</b>
Parcel Value	\$12,672
Site Improvements	<u>0</u>
Market Value	<u>\$12,672</u>
Market Value (rounded)	<u>\$13,000</u>



**APPENDIX I**

**APPRAISAL CERTIFICATION**



### Appraisal Certification

We certify that, to the best of our knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.

Unless specified elsewhere in this report, we have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute and the *Uniform Standards of Professional Appraisal Practice*.

Kerry Marinaccio has not inspected the property that is the subject of this report.

No one provided significant professional assistance to the person signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Kerry Marinaccio has completed the requirements of the continuing education program of the Appraisal Institute, and is licensed in the State of New Jersey (License No. RG0001324), State of New York (License No RG 46000051799), State of Pennsylvania (License No. GA004573) and State of Florida (License No. RZ3222).

Kerry L. Marinaccio, MAI

Joseph Kettell, ASA



**APPENDIX II**

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**



### **Statement of Assumptions and Limiting Conditions**

1. This appraisal is for no purpose other than property and business enterprise valuation as described in the scope of the appraisal, and we are neither qualified nor attempting to go beyond this narrow scope. The reader should be aware that there are also inherent limitations to the accuracy of the information and analysis contained in this appraisal. Before making any decision based on the information and analysis contained in this report, it is critically important to read this entire section to understand these limitations.
2. It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report.
3. No survey of the property has been made by Appraisal Economics Inc. and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in this report are intended only for the purpose of showing spatial relationships. The reliability of the information contained on any such map or drawing is assumed by us and cannot be guaranteed to be correct. A surveyor should be consulted if there is any concern on boundaries, setbacks, encroachments, or other survey matters.
4. No responsibility is assumed for matters of a legal nature that affect title to the property, nor is an opinion of title rendered. The title is assumed to be good and marketable. The value estimate is given without regard to any questions of title boundaries, encumbrances, or encroachments. We are not usually provided an abstract of the property being appraised and, in any event, we neither made a detailed examination of it nor do we give any legal opinion concerning it.
5. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal.
6. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report. Information and analysis shown in this report concerning these items are based only on rudimentary investigation. Any significant question should be addressed to local zoning or land use officials or an attorney.
7. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. Appropriate government officials or an attorney should be consulted if an interested party has any questions or concerns on



these items as we have not made a comprehensive examination of laws and regulation affecting the subject property.

8. This appraisal should not be considered a report on the physical items that are part of the property. Although the appraisal may contain information about the physical items being appraised (including their adequacy or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. We are not construction, engineering, environmental, or legal experts, and any statement given on these matters in this report should be considered preliminary in nature.
9. The observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, and all mechanical and construction is based on a casual inspection only and no detailed inspection was made. For instance, we are not experts on heating systems and we made no attempt to inspect the interior of the furnace. The structures were not checked for building code violations, and it is assumed that all buildings meet applicable building codes unless so stated in the report.
10. Some items such as conditions behind walls, above ceilings, behind locked doors, or under the ground are not exposed to casual view and therefore were not inspected. The existence of insulation, if any is mentioned, was found by conversation with others or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements about insulation cannot be guaranteed.
11. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions, or for engineering that may be required to discover such factors. As no engineering or pecculation tests were made, no liability is assumed for soil conditions. Sub-surface rights (mineral and oil) were not considered in making this appraisal.
12. Wells and septic systems, if any, are assumed to be in good working condition and of sufficient size and capacity for the stated highest and best use.
13. We are not environmental experts, and we do not have the expertise necessary to determine the existence of environmental hazards such as the presence of urea-formaldehyde foam insulation, toxic waste, asbestos or hazardous building materials, or any other environmental hazards on the subject or surrounding properties. If we know of any problems of this nature which we believe would create a significant problem, they are disclosed in this report. Nondisclosure should not be taken as an indication that such a problem does not exist, however. An expert in the field should be consulted if any interested party has questions on environmental factors.



14. No chemical or scientific tests were performed by us on the subject property, and it is assumed that the air, water, ground, and general environment associated with the property present no physical or health hazard of any kind unless otherwise noted in the report. It is further assumed that the lot does not contain any type of dump site and that there are no underground tanks (or any underground source) leaking toxic or hazardous chemicals into the groundwater or the environment unless otherwise noted in the report.
15. The age of any improvements to the subject property mentioned in this report should be considered a rough estimate. We are not sufficiently skilled in the construction trades to be able to reliably estimate the age of improvements by observation. We therefore rely on circumstantial evidence which may come into our possession (such as dates on architectural plans) or conversations with those who might be somewhat familiar with the history of the property such as property owners, on site personnel, or others. Parties interested in knowing the exact age of improvements on the land should contact us to ascertain the source of our data and then make a decision as to whether they wish to pursue additional investigation.
16. Because no detailed inspection was made and because such knowledge goes beyond the scope of this appraisal, any observed condition or other comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, we strongly suggest that a construction expert be hired for a detailed investigation.
17. As can be seen from limitations presented above, this appraisal has been performed with a limited amount of data. Data limitations result from a lack of certain areas of expertise by us (that go beyond the scope of our ordinary knowledge), our inability to view certain portions of the property, the inherent limitations of relying upon information provided by others, etc.
18. There is also an economic constraint, however. The appraisal budget (and the fee for this appraisal) did not contain unlimited funds for investigation. We have spent our time and effort in the investigative stage of this appraisal in those areas where we think it would be most efficient, but inevitably there is significant possibility that we do not possess all information relevant to the subject property.
19. Before relying on any statement made in this appraisal report, interested parties should contact us for the exact extent of our data collection on any point which they believe to be important to their decision-making. This will enable such interested parties to determine whether they consider the extent of our data gathering process



was adequate for their needs or whether they would like to pursue additional data gathering for a higher level of certainty.

20. Information (including projections of income and expenses) provided by local sources, such as governmental agencies, financial institutions, accountants, attorneys, and others is assumed to be true, correct, and reliable. No responsibility for the accuracy of such information is assumed by us.
21. The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
22. Engineering analysis of the subject property were neither provided for use nor made part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by us and the value conclusions are subject to said limitations.
23. All values shown in the appraisal report are projections based on our analysis as of the date of the appraisal. These values may not be valid in other time periods or as conditions change. We take no responsibility for events, conditions, or circumstances affecting the property's market value that take place subsequent to either the Valuation Date contained in this report or the date of our field inspection, whichever occurs first.
24. Because projected mathematical models and other projections are based on estimates and assumptions that are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that actually are achieved.
25. This appraisal is an estimate of value based on an analysis of information known to us at the time the appraisal was made. We do not assume any responsibility for incorrect analysis because of incorrect or incomplete information. If new information of significance is released, the value given in this report is subject to change without notice.
26. Opinions and estimates expressed herein represent our best judgement, but should not be construed as advice or recommendation to act. Any actions taken by you, the client, or any others should be based on your own judgement, and the decision process should consider many factors other than just the value estimate and information given in this report.
27. Appraisal reports are technical documents addressed to the specific technical needs of clients. Casual readers should understand that this report does not contain all of the information we have concerning the subject property of the real estate market. While no factors we believe to be significant yet unknown to the client have been knowingly withheld, it is always possible that we have information of significance that may be



important to others but which, with our limited acquaintance of the property and our limited expertise, does not seem to be important to us.

28. Appraisal reports made for lenders are technical documents specifically made to lender requirements. Casual readers are cautioned about their limitations and cautioned against possible misinterpretation of the information contained in these reports.
29. We should be contacted with any questions before the report is used for decision making.
30. This appraisal was prepared at the request of and for the exclusive use of the client to whom the appraisal is addressed. No third party shall have any right to use or rely upon this appraisal for any purpose.
31. There are no requirements, by reason of this appraisal, to give testimony or appear in court or any pretrial conference or appearance required by subpoena with reference to the property in question, unless sufficient notice is given to allow adequate preparation and additional fees are paid by the client at our regular rates for such appearances and the preparation necessitated thereby.
32. This report is made for the information or guidance of the client and possession of this report, or a copy thereof, does not carry with it a right of publication. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of Appraisal Economics Inc. Nor shall we or the professional organization of which we are members be identified without our written consent.
33. It is suggested that those who possess this appraisal report should not release copies to others. Certainly legal advice should be obtained on potential liability issues before this is done. Anyone who releases an incomplete or altered copy of this appraisal report (including all attachments) does so at their own risk and assumes complete liability for harm caused by reliance upon an incomplete or altered copy. We do not assume any liability for harm caused by reliance upon an incomplete or altered copy of this appraisal report released by others. Anyone with a question on whether their copy of an appraisal report is incomplete or altered should contact our office.
34. Values and conclusions for various components of the subject parcel as contained within this report are valid only when making a summation; they are not to be used independently for any purpose and must be considered invalid if so used. The allocation of the total value in this report between land and improvements applies only under the reported highest and best use of the property. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.



**APPENDIX III**

**PROFESSIONAL QUALIFICATIONS**

## **KERRY L. MARINACCIO, MAI**

### ***Education***

Appraisal Institute, MAI.

Rutgers College, Rutgers University, B.A., Political Science - 1992

University of New South Wales (Australia), Masters of Real Estate - 2002

### ***Experience***

Kerry L. Marinaccio has been a real estate appraiser since 1992 with experience specializing in commercial and industrial valuation on a national basis primarily for major Fortune 500 corporations and financial institutions. Mrs. Marinaccio's experience covers the performance of fair market valuations, investment and discounted cash flow analysis, highest and best use studies, and feasibility analysis. Valuations have been performed as a function for the allocation of purchase price, financing, property syndication, sales, and ad valorem tax appeals. These aspects of appraisal work have been performed for leading financial institutions, national, and international manufacturing corporations and developers. Valuations have been performed on the following types of properties.

- Commercial - Income producing real estate i.e., office buildings, shopping centers, department stores, hotels, apartment buildings, auto dealerships, mixed-use developments, residential and commercial sub-division analysis.
- Industrial - Manufacturing plants and warehouses up to 3,000,000 square feet, high-tech buildings, research and development facilities.
- Special Use Properties - Distilleries, landfills, oil refinery, steel mills, paper mills, and lumber yards.

Mrs. Marinaccio has appeared as an expert witness in court testimony in local and state courts in New Jersey, Pennsylvania, and Ohio.

### ***Affiliations***

Appraisal Institute – MAI

Certified as a General Appraiser in the State of New Jersey - License No. RG 001324

Certified as a General Appraiser in the State of New York - License No. 46000051799

Certified as a General Appraiser in the State of Florida - License No. RZ 3222

Certified as a General Appraiser in the State of Pennsylvania – License No. GA004573

Certified Tax Assessor, State of New Jersey



## **JOSEPH KETTELL, ASA**

Joseph Kettell is a managing director of Appraisal Economics Inc. He has orchestrated all elements of financial analysis, corporate valuations, transfer pricing, damages analysis, and litigation support. He has performed fair market value studies of tangible and intangible assets for corporate acquisitions, tax, accounting, financing, and regulatory purposes. Industry assignments include aerospace, automobile manufacturing, banking, chemicals and petrochemicals, coal, computer and electronics, construction, entertainment and broadcasting, general manufacturing, healthcare, insurance, metals manufacturing, mining, municipal utilities, paint and specialty chemicals, sport franchises, pharmaceutical, power plants, pulp and paper manufacturing, service oriented companies, software, sport franchises, synthetic rubber and plastic products, retail, telecommunications, and textiles. Mr. Kettell's assignments have required travel throughout the world.

### **Previous Experience**

#### **Price Waterhouse**

Prior to joining Appraisal Economics, Mr. Kettell managed valuation assignments for the accounting firm Price Waterhouse in New York City. Working in the tax department, he was responsible for transfer pricing, business valuations and appraisals of intellectual property and other intangible assets for large corporate clients in the United States and Europe.

#### **Arthur D. Little, Inc.**

Mr. Kettell was manager of financial valuation services for the international consulting firm of Arthur D. Little, Inc. His work included appraising businesses worth several billion dollars and the valuation of intangible assets including trademarks, software, patents, and proprietary technology.

#### **Combustion Engineering**

As a chemical engineer, Mr. Kettell worked for CE Lummus (currently ABB Lummus), a subsidiary of Combustion Engineering, in Bloomfield, New Jersey. He performed conceptual design and the economic evaluation of chemical, petrochemical, utility, and environmental plants. While at CE Lummus, Mr. Kettell lived in Japan performing pilot plant research and development on a steel manufacturing process. This assignment led to a U.S. patent under Mr. Kettell's name.

### **Expert Testimony**

Mr. Kettell has provided court testimony in numerous states including New York, New Jersey, California, Connecticut, Florida, Illinois, Indiana, Massachusetts, Michigan, Ohio, Virginia, and Washington. He has also testified at the Federal Communication Commission hearings and on several occasions in arbitration hearings at the American Arbitration Association.



Mr. Kettell has provided testimony for the U.S. Department of Justice in Washington, D.C. on several large assignments, along with many assignments for the Internal Revenue Service. He has provided power plant appraisals for the Enron bankruptcy trustee in preparation for trial and for the U.S. Army Corp of Engineers.

Mr. Kettell authored a report on valuation of intellectual property for charitable federal tax deductions taken by major corporations. His report was presented to the U.S. Congress by the IRS Chief Economist just prior to sweeping tax law changes on that topic.

### **Lecturer**

American Society of Appraisers  
Valuation of Intellectual Property  
Valuation of Merchant Power Plants

Estate Planning Council  
Valuing Businesses for Estate Tax Planning

Annual Merchant Power Plant Conference (Institute of International Research)  
Valuing Merchant Power Plants, Chicago, Il.

The Appraisal Institute  
Valuation of Renewable Energy Projects

### **Professional Affiliations**

American Society of Appraisers (ASA)

Mr. Kettell is an accredited senior member of the ASA (an international organization with over 6,000 valuation professionals) in both business valuation and machinery appraisal and has lectured and held executive offices in the Northern New Jersey Chapter. He is a past president and won the ASA's President's Cup for most outstanding chapter during his term.

### **Publications**

Mr. Kettell is a contributing author of the text book, Property Taxation, 3<sup>rd</sup> Edition, published by the Institute of Property Taxation.

Mr. Kettell published an article on Effects of Federal Tax Incentive on Valuation Issues, in Fair & Equitable magazine, August, 2016.



## **Education**

Masters of Business Administration  
Fairleigh Dickinson University

Masters of Chemical Engineering  
Manhattan College

Bachelor of Arts in Chemistry  
Queens College, City University of New York

## **Representative Clients**

AEA Investors  
Aluminum Company of America  
Bank of Boston  
Bank of New England  
Bankers Trust  
BASF  
Beneficial  
BIC  
Black & Decker  
BMW of North America  
Carlyle Group  
CBS  
Citicorp  
Champion International  
CSX Corp.  
Cytec  
Dewey Ballantine  
Dow Chemical  
Eastman Kodak  
General Dynamics  
General Electric Capital Corp.  
General Foods  
General Motors  
Georgia Pacific  
Gillette

Grolier Publishing  
Hoffmann-La Roche  
IBP  
Internal Revenue Service  
Interpublic Group  
Kaiser Aluminum  
Melville  
New England Telephone  
New York Times  
NYNEX  
Ogden  
Ohio Medical Association  
Philip Morris  
Quantum Chemical  
Reader's Digest  
Reynolds Aluminum  
Schering-Plough  
Shearson Lehman  
Sullivan & Cromwell  
Thermo-Electron  
Toshiba America  
U.S. Department of Justice  
Waters Corp  
Westinghouse Electric

**Ezj kdw'F**

**Central Hudson Gas & Electric Corporation**  
**Case 24-E-xxxx**  
**Section 70 Filing - Transfer Certain Utility Assets to Transco**  
**Proposed Accounting Entries**  
**Exhibit D**

		<u>Amount</u>
Original Book Cost, Utility Assets Plant in Service	19,691.95	
Accumulated Prov for Depreciation as of June 30, 2024	(13,155.27)	
Sale price of Utility Assets at Net Book Value		32,847.23
Sale of Easement at agreed upon Fair Market Value		15,200.00
Net Proceeds		48,047.23

<b>Utility Assets</b>			
<u>PSC Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Step #1: Receive Proceeds</b>			
131.00	Cash	32,847.23	
108.10	Retirement Work in Progress		32,847.23
<b>Step #2: Retire book cost and transfer to accumulated depreciation reserve</b>			
108.01	Accumulated Prov for Depreciation-Electric Plant	19,691.95	
101.10	Electric Plant in Service		19,691.95
<b>Step #3: Close proceeds to Accum Prov for Depreciation</b>			
108.10	Retirement Work in Progress	32,847.23	
108.01	Accumulated Prov for Depreciation-Electric Plant		32,847.23
<b>Summary of Account Activity</b>			
101.10	Plant in Service - original cost	19,691.95	
	retire assets upon sale <b>(Step #2)</b>		19,691.95
	expected balance after sale		-
108.01	Accumulated Prov for Depreciation-Electric Plant	8,973.38	
	retire assets upon sale <b>(Step #2)</b>	19,691.95	
	close proceeds to Accum Prov <b>(Step #3)</b>		32,847.23
	expected balance after sale		(4,181.90)
108.10	Retirement Work in Progress received proceeds <b>(Step #1)</b>		32,847.23
	close proceeds to Accum Prov <b>(Step #3)</b>	32,847.23	
	expected balance after sale		-

<b>Sale of Easement</b>			
<u>PSC Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Step #4: Receive Proceeds, close to Accumulated Prov for Depreciation-Elect Plant</b>			
131.00	Cash	15,200.00	
421.11	Nonoperating Income - Gain on disposition of property		15,200.00

**Gzj kdk'G''**

**Outstanding Debt as of June 30, 2023:**

Series	Maturity Date	Principal
<b>Central Hudson:</b>		
Promissory Notes:		
2006 Series E (5.76%) <sup>(4)</sup>	Nov. 17, 2031	\$ 27,000
1999 Series B <sup>(1),(2)</sup>	Jul. 01, 2034	33,700
2005 Series E (5.84%) <sup>(4)</sup>	Dec. 05, 2035	24,000
2007 Series F (5.804%) <sup>(5)</sup>	Mar. 23, 2037	33,000
2009 Series F (5.80%) <sup>(5)</sup>	Nov. 01, 2039	24,000
2010 Series B (5.64%) <sup>(6)</sup>	Sep. 21, 2040	24,000
2010 Series G (5.716%) <sup>(6)</sup>	Apr. 01, 2041	30,000
2011 Series G (4.707%) <sup>(6)</sup>	Apr. 01, 2042	10,000
2012 Series G (4.776%) <sup>(6)</sup>	Apr. 01, 2042	48,000
2012 Series G (4.065%) <sup>(6)</sup>	Oct. 01, 2042	24,000
2013 Series D (4.09%) <sup>(7)</sup>	Dec. 2, 2028	16,700
2014 Series E <sup>(7),(11)</sup>	Mar. 26, 2024	30,000
2015 Series F (2.98%) <sup>(7)</sup>	Mar. 31, 2025	20,000
2016 Series H (2.56%) <sup>(8)</sup>	Oct. 28, 2026	10,000
2016 Series I (3.63%) <sup>(8)</sup>	Oct. 28, 2046	20,000
2017 Series J (4.05%) <sup>(8)</sup>	Aug. 31, 2047	30,000
2017 Series K (4.20%) <sup>(8)</sup>	Aug. 31, 2057	30,000
2018 Series L (4.27%) <sup>(8)</sup>	Jun. 15, 2048	25,000
2018 Series M (3.99%) <sup>(8)</sup>	Oct. 28, 2026	40,000
2018 Series N (4.21%) <sup>(8)</sup>	Oct. 28, 2033	40,000
2019 Series O (3.89%) <sup>(9)</sup>	Oct. 28, 2049	50,000
2019 Series P (3.99%) <sup>(9)</sup>	Oct. 28, 2059	50,000
2020 Series Q (3.42%) <sup>(9)</sup>	May 14 2050	30,000
2020 Series R (3.62%) <sup>(9)</sup>	Jul. 14, 2060	30,000
2020 Series S (2.03%) <sup>(9)</sup>	Sep. 28, 2030	40,000
2020 Series T (2.03%) <sup>(9)</sup>	Nov. 17, 2030	30,000
2021 Series U (3.29%) <sup>(9)</sup>	Mar. 16, 2051	75,000
2021 Series V (3.22%) <sup>(9)</sup>	Oct. 30, 2051	55,000
2022 Series W (2.37%) <sup>(10)</sup>	Jan. 27, 2027	50,000
2022 Series X (2.59%) <sup>(10)</sup>	Jan. 27, 2029	60,000
2022 Series Y (5.07%) <sup>(10)</sup>	Sept. 28, 2032	100,000
2022 Series Z (5.42%) <sup>(10)</sup>	Sept. 28, 2052	10,000
2023 Series AA (5.68%) <sup>(10)</sup>	Mar. 28, 2033	40,000
2023 Series BB (5.78%) <sup>(10)</sup>	Mar. 28, 2035	15,000
2023 Series CC (5.88%) <sup>(10)</sup>	Mar. 28, 2038	35,000
<b>Total Central Hudson</b>		<b>\$ 1,209,400</b>
	Less: Current Portion of Long-term Debt	(30,000)
	<b>Central Hudson Net Long-term Debt</b>	<b>\$ 1,179,400</b>
<b>CH Energy Group:</b>		
Promissory Notes:		
2009 Series B (6.80%) <sup>(3)</sup>	Dec. 15, 2025	\$ 5,713
	Less: Current Portion of Long-term Debt	(2,171)
	<b>CH Energy Group Net Long-term Debt</b>	<b>\$ 1,182,942</b>

- (1) Promissory Notes issued in connection with the sale by NYSERDA of tax-exempt pollution control revenue bonds.
- (2) Variable (auction) rate notes.
- (3) The maturity date represents the final repayment date, principal repayments are due semi-annually.
- (4) Issued pursuant to a 2004 PSC Order approving the issuance by Central Hudson prior to December 31, 2006, of up to \$85 million of unsecured medium-term notes.
- (5) Issued pursuant to a 2006 PSC Order approving the issuance by Central Hudson prior to December 31, 2009, of up to \$120 million of unsecured medium-term notes.
- (6) Issued pursuant to a 2009 PSC Order approving the issuance by Central Hudson prior to December 31, 2012, of up to \$250 million of unsecured medium-term notes or other forms of long-term indebtedness.
- (7) Issued pursuant to a 2012 PSC Order approving the issuance by Central Hudson prior to December 31, 2015, of up to \$250 million of unsecured medium-term notes or other forms of long-term indebtedness.
- (8) Issued pursuant to a 2015 PSC Order approving the issuance by Central Hudson prior to December 31, 2018, of up to \$350 million of unsecured medium-term notes or other forms of long-term indebtedness.
- (9) Issued pursuant to a 2018 PSC Order approving the issuance by Central Hudson prior to December 31, 2021, of up to \$425 million of unsecured medium-term notes or other forms of long-term indebtedness.
- (10) Issued pursuant to a 2021 PSC Order approving the issuance by Central Hudson prior to December 31, 2024, of up to \$412 million of unsecured medium-term notes or other forms of long-term indebtedness.
- (11) Variable rate notes.

**Ezj kdk'H**

**Vt cpueq)u'Kpeqo g'čpf 'Dcɾpeg'Uj ggv**

THIS FILING IS
Item 1: <input checked="" type="checkbox"/> An Initial (Original) Submission OR <input type="checkbox"/> Resubmission No.



## FERC FINANCIAL REPORT FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

<b>Exact Legal Name of Respondent (Company)</b> New York Transco, LLC	<b>Year/Period of Report</b> End of: 2023/ Q4
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FERC FORM NO. 1 (REV. 02-04)

Name of Respondent: New York Transco, LLC	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/18/2024	Year/Period of Report End of: 2023/ Q4
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## COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200	888,015,361	451,775,733
3	Construction Work in Progress (107)	200	55,409,974	328,683,229
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		943,425,335	780,458,962
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	48,478,179	34,129,823
6	Net Utility Plant (Enter Total of line 4 less 5)		894,947,156	746,329,139
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		894,947,156	746,329,139
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)			
19	(Less) Accum. Prov. for Depr. and Amort. (122)			
20	Investments in Associated Companies (123)			
21	Investment in Subsidiary Companies (123.1)	224		
23	Noncurrent Portion of Allowances	228		
24	Other Investments (124)			
25	Sinking Funds (125)			
26	Depreciation Fund (126)			
27	Amortization Fund - Federal (127)			
28	Other Special Funds (128)		152,262	154,355
29	Special Funds (Non Major Only) (129)			
30	Long-Term Portion of Derivative Assets (175)			

31	Long-Term Portion of Derivative Assets - Hedges (176)			
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		152,262	154,355
33	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)			
35	Cash (131)		109,125,560	97,622,845
36	Special Deposits (132-134)		557,837	525,554
37	Working Fund (135)			
38	Temporary Cash Investments (136)			
39	Notes Receivable (141)			
40	Customer Accounts Receivable (142)		4,789,151	1,488,582
41	Other Accounts Receivable (143)			1,137,008
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)			
43	Notes Receivable from Associated Companies (145)			
44	Accounts Receivable from Assoc. Companies (146)			
45	Fuel Stock (151)	227		
46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	1,398,923	689,653
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227		
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		696,854	460,221
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)			
61	Accrued Utility Revenues (173)			
62	Miscellaneous Current and Accrued Assets (174)			
63	Derivative Instrument Assets (175)			
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			

65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		116,568,325	101,923,863
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		382,104	633,196
70	Extraordinary Property Losses (182.1)	230a		
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b		
72	Other Regulatory Assets (182.3)	232	56,125	61,929
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,763,315	4,114,015
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)			
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233		
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		
81	Unamortized Loss on Reaquired Debt (189)			
82	Accumulated Deferred Income Taxes (190)	234	7,019,028	7,961,817
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		10,220,572	12,770,957
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		1,021,888,315	861,178,314

Name of Respondent: New York Transco, LLC	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/18/2024	Year/Period of Report End of: 2023/ Q4
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## COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>PROPRIETARY CAPITAL</b>			
2	Common Stock Issued (201)	250	426,353,375	320,353,375
3	Preferred Stock Issued (204)	250		
4	Capital Stock Subscribed (202, 205)			
5	Stock Liability for Conversion (203, 206)			
6	Premium on Capital Stock (207)			
7	Other Paid-In Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254b		
11	Retained Earnings (215, 215.1, 216)	118	10,213,793	23,144,278
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118		
13	(Less) Reacquired Capital Stock (217)	250		
14	Noncorporate Proprietorship (Non-major only) (218)			
15	Accumulated Other Comprehensive Income (219)	122(a)(b)		
16	Total Proprietary Capital (lines 2 through 15)		436,567,168	343,497,653
17	<b>LONG-TERM DEBT</b>			
18	Bonds (221)	256		
19	(Less) Reacquired Bonds (222)	256		
20	Advances from Associated Companies (223)	256		
21	Other Long-Term Debt (224)	256	402,387,000	315,887,000
22	Unamortized Premium on Long-Term Debt (225)			
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)			
24	Total Long-Term Debt (lines 18 through 23)		402,387,000	315,887,000
25	<b>OTHER NONCURRENT LIABILITIES</b>			
26	Obligations Under Capital Leases - Noncurrent (227)			
27	Accumulated Provision for Property Insurance (228.1)			
28	Accumulated Provision for Injuries and Damages (228.2)			
29	Accumulated Provision for Pensions and Benefits (228.3)			

30	Accumulated Miscellaneous Operating Provisions (228.4)			
31	Accumulated Provision for Rate Refunds (229)			
32	Long-Term Portion of Derivative Instrument Liabilities			
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges			
34	Asset Retirement Obligations (230)			
35	Total Other Noncurrent Liabilities (lines 26 through 34)			
36	<b>CURRENT AND ACCRUED LIABILITIES</b>			
37	Notes Payable (231)			
38	Accounts Payable (232)		39,065,899	96,243,384
39	Notes Payable to Associated Companies (233)			
40	Accounts Payable to Associated Companies (234)		11,758,314	12,235,382
41	Customer Deposits (235)			
42	Taxes Accrued (236)	262	21,383,049	16,932,412
43	Interest Accrued (237)		380,020	242,167
44	Dividends Declared (238)			
45	Matured Long-Term Debt (239)			
46	Matured Interest (240)			
47	Tax Collections Payable (241)			
48	Miscellaneous Current and Accrued Liabilities (242)		53,952,529	18,500,723
49	Obligations Under Capital Leases-Current (243)			
50	Derivative Instrument Liabilities (244)			
51	(Less) Long-Term Portion of Derivative Instrument Liabilities			
52	Derivative Instrument Liabilities - Hedges (245)			
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges			
54	Total Current and Accrued Liabilities (lines 37 through 53)		126,539,811	144,154,068
55	<b>DEFERRED CREDITS</b>			
56	Customer Advances for Construction (252)			
57	Accumulated Deferred Investment Tax Credits (255)	266		
58	Deferred Gains from Disposition of Utility Plant (256)			
59	Other Deferred Credits (253)	269	2,382,590	10,741,546
60	Other Regulatory Liabilities (254)	278	20,272,834	14,676,023
61	Unamortized Gain on Reacquired Debt (257)			
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272		
63	Accum. Deferred Income Taxes-Other Property (282)		32,749,675	30,920,302

64	Accum. Deferred Income Taxes-Other (283)		989,237	1,301,722
65	Total Deferred Credits (lines 56 through 64)		56,394,336	57,639,593
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		1,021,888,315	861,178,314

Name of Respondent: New York Transco, LLC	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/18/2024	Year/Period of Report End of: 2023/ Q4
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**STATEMENT OF INCOME**

Quarterly

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable

Do not report fourth quarter data in columns (e) and (f)  
 Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over Lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.  
 Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.  
 Use page 122 for important notes regarding the statement of income for any account thereof.  
 Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.  
 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.  
 If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.  
 Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.  
 Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.  
 If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended - Quarterly Only - No 4th Quarter (e)	Prior 3 Months Ended - Quarterly Only - No 4th Quarter (f)	Electric Utility Current Year to Date (in dollars) (g)	Electric Utility Previous Year to Date (in dollars) (h)	Gas Utility Current Year to Date (in dollars) (i)	Gas Utility Previous Year to Date (in dollars) (j)	Other Utility Current Year to Date (in dollars) (k)	Other Utility Previous Year to Date (in dollars) (l)
1	UTILITY OPERATING INCOME											
2	Operating Revenues (400)	300	112,526,120	69,175,818			112,526,120	69,175,818				
3	Operating Expenses											
4	Operation Expenses (401)	320	9,232,188	7,232,204			9,232,188	7,232,204				
5	Maintenance Expenses (402)	320	2,293,177	908,763			2,293,177	908,763				
6	Depreciation Expense (403)	336	9,641,740	3,691,835			9,641,740	3,691,835				
7	Depreciation Expense for Asset Retirement Costs (403.1)	336										
8	Amort. & Depl. of Utility Plant (404-405)	336	4,706,616	3,552,538			4,706,616	3,552,538				
9	Amort. of Utility Plant Acq. Adj. (406)	336										
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)											
11	Amort. of Conversion Expenses (407.2)											
12	Regulatory Debits (407.3)											
13	(Less) Regulatory Credits (407.4)											

14	Taxes Other Than Income Taxes (408.1)	262	4,189,421	4,181,572		4,189,421	4,181,572				
15	Income Taxes - Federal (409.1)	262	11,145,518	5,810,314		11,145,518	5,810,314				
16	Income Taxes - Other (409.1)	262	4,693,964	3,255,935		4,693,964	3,255,935				
17	Provision for Deferred Income Taxes (410.1)	234, 272	4,309,333	5,601,113		4,309,333	5,601,113				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272	145,423	227,251		145,423	227,251				
19	Investment Tax Credit Adj. - Net (411.4)	266									
20	(Less) Gains from Disp. of Utility Plant (411.6)										
21	Losses from Disp. of Utility Plant (411.7)										
22	(Less) Gains from Disposition of Allowances (411.8)										
23	Losses from Disposition of Allowances (411.9)										
24	Accretion Expense (411.10)										
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		50,066,534	34,007,023		50,066,534	34,007,023				
27	Net Util Oper Inc (Enter Tot line 2 less 25)		62,459,586	35,168,795		62,459,586	35,168,795				
28	Other Income and Deductions										
29	Other Income										
30	Nonutility Operating Income										
31	Revenues From Merchandising, Jobbing and Contract Work (415)										
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)										
33	Revenues From Nonutility Operations (417)										
34	(Less) Expenses of Nonutility Operations (417.1)										
35	Nonoperating Rental Income (418)										
36	Equity in Earnings of Subsidiary Companies (418.1)	119									
37	Interest and Dividend Income (419)		33,077	794							
38	Allowance for Other Funds Used During Construction (419.1)										
39	Miscellaneous Nonoperating Income (421)		118,485	18,585							
40	Gain on Disposition of Property (421.1)										
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		151,562	19,379							

42	Other Income Deductions												
43	Loss on Disposition of Property (421.2)												
44	Miscellaneous Amortization (425)												
45	Donations (426.1)		31,050	1,000									
46	Life Insurance (426.2)												
47	Penalties (426.3)												
48	Exp. for Certain Civic, Political & Related Activities (426.4)												
49	Other Deductions (426.5)		502,401	427,964									
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		533,451	428,964									
51	Taxes Applic. to Other Income and Deductions												
52	Taxes Other Than Income Taxes (408.2)	262											
53	Income Taxes-Federal (409.2)	262	(412,274)	(1,003,110)									
54	Income Taxes-Other (409.2)	262	(195,071)	(491,666)									
55	Provision for Deferred Inc. Taxes (410.2)	234,272											
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234,272	16,355	5,205									
57	Investment Tax Credit Adj.-Net (411.5)												
58	(Less) Investment Tax Credits (420)												
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		(623,700)	(1,499,981)									
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		241,811	1,090,396									
61	Interest Charges												
62	Interest on Long-Term Debt (427)		19,280,261	6,657,715									
63	Amort. of Debt Disc. and Expense (428)		251,092	168,508									
64	Amortization of Loss on Reaquired Debt (428.1)												
65	(Less) Amort. of Premium on Debt-Credit (429)												
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)												
67	Interest on Debt to Assoc. Companies (430)												
68	Other Interest Expense (431)		5,529										
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)												
70	Net Interest Charges (Total of lines 62 thru 69)		19,536,882	6,826,223									

71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		43,164,515	29,432,968								
72	Extraordinary Items											
73	Extraordinary Income (434)											
74	(Less) Extraordinary Deductions (435)											
75	Net Extraordinary Items (Total of line 73 less line 74)											
76	Income Taxes-Federal and Other (409.3)	262										
77	Extraordinary Items After Taxes (line 75 less line 76)											
78	Net Income (Total of line 71 and 77)		43,164,515	29,432,968								

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Name of Respondent: CENTRAL HUDSON GAS & ELECTRIC CORPORATION	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 05/20/2024	Year/Period of Report End of: 2024/ Q1
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200	3,241,834,276	3,214,485,378
3	Construction Work in Progress (107)	200	198,124,258	183,203,836
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		3,439,958,534	3,397,689,214
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	823,206,273	811,999,537
6	Net Utility Plant (Enter Total of line 4 less 5)		2,616,752,261	2,585,689,677
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202		
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			
9	Nuclear Fuel Assemblies in Reactor (120.3)			
10	Spent Nuclear Fuel (120.4)			
11	Nuclear Fuel Under Capital Leases (120.6)			
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202		
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			
14	Net Utility Plant (Enter Total of lines 6 and 13)		2,616,752,261	2,585,689,677
15	Utility Plant Adjustments (116)			
16	Gas Stored Underground - Noncurrent (117)			
17	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		524,237	524,237
19	(Less) Accum. Prov. for Depr. and Amort. (122)			

20	<u>Investments in Associated Companies (123)</u>			
21	<u>Investment in Subsidiary Companies (123.1)</u>	224		
23	<u>Noncurrent Portion of Allowances</u>	228		
24	<u>Other Investments (124)</u>		30,952,128	29,942,338
25	<u>Sinking Funds (125)</u>			
26	<u>Depreciation Fund (126)</u>			
27	<u>Amortization Fund - Federal (127)</u>			
28	<u>Other Special Funds (128)</u>		178,112,926	172,967,254
29	<u>Special Funds (Non Major Only) (129)</u>			
30	<u>Long-Term Portion of Derivative Assets (175)</u>			
31	<u>Long-Term Portion of Derivative Assets - Hedges (176)</u>			
32	<u>TOTAL Other Property and Investments (Lines 18-21 and 23-31)</u>		209,589,291	203,433,829
33	<b><u>CURRENT AND ACCRUED ASSETS</u></b>			
34	<u>Cash and Working Funds (Non-major Only) (130)</u>			
35	<u>Cash (131)</u>		11,550,764	1,507,136
36	<u>Special Deposits (132-134)</u>		1,135,353	1,120,353
37	<u>Working Fund (135)</u>		15,016	15,016
38	<u>Temporary Cash Investments (136)</u>			
39	<u>Notes Receivable (141)</u>			
40	<u>Customer Accounts Receivable (142)</u>		262,084,355	232,710,872
41	<u>Other Accounts Receivable (143)</u>		15,730,609	16,546,603
42	<u>(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)</u>		11,200,000	11,200,000
43	<u>Notes Receivable from Associated Companies (145)</u>			
44	<u>Accounts Receivable from Assoc. Companies (146)</u>		222,258	178,334
45	<u>Fuel Stock (151)</u>	227	337,207	520,696

46	Fuel Stock Expenses Undistributed (152)	227		
47	Residuals (Elec) and Extracted Products (153)	227		
48	Plant Materials and Operating Supplies (154)	227	38,908,388	35,654,232
49	Merchandise (155)	227		
50	Other Materials and Supplies (156)	227		
51	Nuclear Materials Held for Sale (157)	202/227		
52	Allowances (158.1 and 158.2)	228		
53	(Less) Noncurrent Portion of Allowances	228		
54	Stores Expense Undistributed (163)	227	(187,366)	11,569
55	Gas Stored Underground - Current (164.1)			
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			
57	Prepayments (165)		40,766,606	37,742,887
58	Advances for Gas (166-167)			
59	Interest and Dividends Receivable (171)			
60	Rents Receivable (172)		188,876	1,095,736
61	Accrued Utility Revenues (173)		24,741,563	27,974,468
62	Miscellaneous Current and Accrued Assets (174)		75,749	75,749
63	Derivative Instrument Assets (175)		5,950	161,415
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			
65	Derivative Instrument Assets - Hedges (176)			
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			
67	Total Current and Accrued Assets (Lines 34 through 66)		384,375,328	344,115,066
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		5,969,160	6,124,244

70	<u>Extraordinary Property Losses (182.1)</u>	230a		
71	<u>Unrecovered Plant and Regulatory Study Costs (182.2)</u>	230b		
72	<u>Other Regulatory Assets (182.3)</u>	232	160,375,137	196,913,365
73	<u>Prelim. Survey and Investigation Charges (Electric) (183)</u>			
74	<u>Preliminary Natural Gas Survey and Investigation Charges (183.1)</u>			
75	<u>Other Preliminary Survey and Investigation Charges (183.2)</u>			
76	<u>Clearing Accounts (184)</u>		1,066,556	1,000,447
77	<u>Temporary Facilities (185)</u>			
78	<u>Miscellaneous Deferred Debits (186)</u>	233	790,422	853,239
79	<u>Def. Losses from Disposition of Utility Plt. (187)</u>			
80	<u>Research, Devel. and Demonstration Expend. (188)</u>	352	1,964,562	1,460,995
81	<u>Unamortized Loss on Reaquired Debt (189)</u>		961,706	1,018,307
82	<u>Accumulated Deferred Income Taxes (190)</u>	234	186,751,663	193,382,763
83	<u>Unrecovered Purchased Gas Costs (191)</u>			
84	<u>Total Deferred Debits (lines 69 through 83)</u>		357,879,206	400,753,360
85	<u>TOTAL ASSETS (lines 14-16, 32, 67, and 84)</u>		3,568,596,086	3,533,991,932

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**Central Hudson Gas & Electric Corporation**  
**Case 24-E-xxxx**  
**Section 70 Filing - Transfer Certain Utility Assets to Transco**  
**Inventory of the Utility Asset Property to be Transferred , as of June 30, 2024**  
**Exhibit G**

<b>Asset_id</b>	<b>description3</b>	<b>Accum qty</b>	<b>Accum cost</b>	<b>Allo_reserve</b>	<b>NBV</b>	<b>TAP QTY</b>	<b>%</b>	<b>Adj Accum Cost</b>	<b>Adj Allo Reserve</b>	<b>ADJ NBV</b>
<b>407815</b>	GUY	55	5,984	(5,498)	11,482	26	47%	2,829	(2,599)	5,428
<b>407816</b>	ANCHOR	44	14,392	(13,224)	27,616	24	55%	7,850	(7,213)	15,063
<b>407820</b>	POLE - WOOD 45FT	7	2,790	(2,564)	5,354	2	29%	797	(732)	1,530
<b>407821</b>	POLE - WOOD 50FT	9	3,824	(3,514)	7,338	6	67%	2,549	(2,342)	4,892
<b>407822</b>	POLE - WOOD 55FT	3	1,418	(1,303)	2,721	1	33%	473	(434)	907
<b>407823</b>	POLE - WOOD 60 FT	3	1,725	(1,585)	3,310	3	100%	1,725	(1,585)	3,310
<b>411368</b>	Wure Bare Aluminum	7085	3,108	1,569	1,539	7085	100%	3,108	1,569	1,539
<b>411370</b>	Insulator - Strain & Suspension	522	7,848	3,961	3,887	24	5%	361	182	179
<b>Grand Total</b>		<b>7,728</b>	<b>41,089</b>	<b>(22,157)</b>	<b>63,246</b>	<b>7,171</b>		<b>19,691.95</b>	<b>(13,155.27)</b>	<b>32,847.23</b>

# **Exhibit J**

**Section 70 Filing - Transfer Certain Utility Assets to Transco  
Statement of Revenue, Expenses, and Taxes for the Property  
Exhibit H, tab 1**

**Milan Substation Equipment - Town of Milan**

**Property Taxes:**

	<b>Tax Rate</b>	<b>Equipment Value</b>	<b>Estimated Taxes</b>
2024 Town/County Tax	4.54844	32,847.23	1,494.04
2024/25 School District - Red Hook CSD	17.444675	32,847.23	5,730.09
			<b>\$7,224.13</b>
2023 Town/County Tax	5.013613	32,847.23	1,646.83
2023/24 School District - Red Hook CSD	17.085503	32,847.23	5,612.11
			<b>\$7,258.95</b>
2022 Town/County Tax	5.713262	32,847.23	1,876.65
2022/23 School District - Red Hook CSD	18.374817	32,847.23	6,035.62
			<b>\$7,912.27</b>
2021 Town/County Tax	6.375502	32,847.23	2,094.18
2021/22 School District - Red Hook CSD	21.545683	32,847.23	7,077.16
			<b>\$9,171.33</b>

<b>Total Property Taxes for Milan Sub Equip</b>			
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>\$9,171</b>	<b>\$7,912</b>	<b>\$7,259</b>	<b>\$7,224</b>

Central Hudson Gas & Electric  
Case 24-E-XXXX  
Section 70 Filing - Transfer Certain Utility Assets to Transco  
Statement of Revenue, Expenses, and Taxes for the Property  
Exhibit H, tab 2

Milan Substation Equipment - Town of Milan  
Depreciation:

Utility Acct	Vintage	Current YR	Age	ASL	Rem Life	Total Cost	2023 Rate	2023 COR Rate	2023 Provision	
135500	1969	2023	54	52	-2	2,829		0.0096	27.16	27.16
135500	1969	2023	54	52	-2	7,850		0.0096	75.36	75.36
135500	1969	2023	54	52	-2	797		0.0096	7.65	7.65
135500	1969	2023	54	52	-2	2,549		0.0096	24.47	24.47
135500	1969	2023	54	52	-2	473		0.0096	4.54	4.54
135500	1969	2023	54	52	-2	1,725		0.0096	16.56	16.56
135610	1969	2023	54	70	16	3,108	0.0193		59.98	59.98
135610	1969	2023	54	70	16	361	0.0193		6.96	6.96
<b>19,691.95</b>									<b>222.69</b>	

Central Hudson Gas & Electric

Case 24-E-XXXX

Section 70 Filing - Transfer Certain Utility Assets to Transco  
Statement of Revenue, Expenses, and Taxes for the Property  
Exhibit H, tab 3

Milan Substation Equipment - Town of Milan

Depreciation:

Utility Acct	Vintage	Current YR	Age	ASL	Rem Life	Total Cost	2022 Rate	2022 COR Rate	2022 Provision		
135500	1969	2022	53	52	-1	2,829		0.0096	27.16	27.16	
135500	1969	2022	53	52	-1	7,850		0.0096	75.36	75.36	
135500	1969	2022	53	52	-1	797		0.0096	7.65	7.65	
135500	1969	2022	53	52	-1	2,549		0.0096	24.47	24.47	
135500	1969	2022	53	52	-1	473		0.0096	4.54	4.54	
135500	1969	2022	53	52	-1	1,725		0.0096	16.56	16.56	
135610	1969	2022	53	70	17	3,108	0.0193		59.98	59.98	
135610	1969	2022	53	70	17	361	0.0193		6.96	6.96	
							<b>19,691.95</b>			<b>222.69</b>	

Central Hudson Gas & Electric

Case 24-E-XXXX

Section 70 Filing - Transfer Certain Utility Assets to Transco

Statement of Revenue, Expenses, and Taxes for the Property

Exhibit H, tab 4

Milan Substation Equipment - Town of Milan

Depreciation:

Utility Acct	Vintage	Current YR	Age	ASL	Rem Life	Total Cost	July - December 2021				January - June 2021				
							2021 Rate	2021 COR Rate	2021 Provision	1/2 YR Prov	2021 Rate	2021 COR Rate	1/2 2021 Povision	1/2 YR Prov	Total Prov
135500	1969	2021	52	52	0	2,829		0.0096	27.16	13.58		0.0091		25.74	12.87
135500	1969	2021	52	52	0	7,850		0.0096	75.36	37.68		0.0091		71.44	35.72
135500	1969	2021	52	52	0	797		0.0096	7.65	3.83		0.0091		7.25	3.63
135500	1969	2021	52	52	0	2,549		0.0096	24.47	12.24		0.0091		23.20	11.60
135500	1969	2021	52	52	0	473		0.0096	4.54	2.27		0.0091		4.30	2.15
135500	1969	2021	52	52	0	1,725		0.0096	16.56	8.28		0.0091		15.70	7.85
135610	1969	2021	52	70	18	3,108	0.0193		59.98	29.99	0.0193		59.98		29.99
135610	1969	2021	52	70	18	361	0.0193		6.96	3.48	0.0193		6.96		3.48
						<b>19,691.95</b>				<b>111.35</b>				<b>107.29</b>	<b>218.63</b>

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# *Short Environmental Assessment Form*

## *Part 1 - Project Information*

### **Instructions for Completing**

**Part 1 – Project Information.** The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

<b>Part 1 – Project and Sponsor Information</b>			
Name of Action or Project:			
Project Location (describe, and attach a location map):			
Brief Description of Proposed Action:			
Name of Applicant or Sponsor:		Telephone:	
		E-Mail:	
Address:			
City/PO:		State:	Zip Code:
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.		NO <input type="checkbox"/>	YES <input type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval:		NO <input type="checkbox"/>	YES <input type="checkbox"/>
3. a. Total acreage of the site of the proposed action? _____ acres			
b. Total acreage to be physically disturbed? _____ acres			
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? _____ acres			
4. Check all land uses that occur on, are adjoining or near the proposed action:			
<input type="checkbox"/> Urban <input type="checkbox"/> Rural (non-agriculture) <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban)			
<input type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify):			
<input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations? b. Consistent with the adopted comprehensive plan?	NO	YES	N/A
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ _____	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ _____	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ _____	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places?  b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____	NO	YES	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest    Agricultural/grasslands    Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban    Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes, a. Will storm water discharges flow to adjacent properties? b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)? If Yes, briefly describe: _____ _____	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment: _____ _____	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
49. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____ _____	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____ _____	NO	YES
	<input type="checkbox"/>	<input type="checkbox"/>
<b>I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE</b>  Applicant/sponsor/name: _____ Date: _____  Signature: _____ Title: _____		

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**PROPOSED RULEMAKING  
NO HEARING (S) SCHEDULED**

**Authorization of Central Hudson Gas & Electric Corporation to Grant Certain Easement Interests and Transfer Certain Personal Property to New York Transco LLC.**

**I.D. No.** PSC-

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

***Proposed action:*** The New York State Public Service Commission (the NYPSC) is considering a joint petition filed by Central Hudson Gas & Electric Corporation (CHG&E) and New York Transco LLC (Transco) for CHG&E to (1) grant certain easement interests and (2) transfer certain personal property to Transco.

***Statutory authority:*** Public Service Law § 70.

***Subject:*** Joint Petition for an order authorizing the transfers of certain easement interests and personal property.

***Purpose:*** To consider authorizing CHG&E to transfer certain easement interests and personal property to Transco.

***Substance of proposed rule:*** The NYPSC is considering a verified joint petition filed by CHG&E and Transco on November 4, 2024, requesting an order authorizing Transco to acquire two easement interests and certain personal property of CHG&E, pursuant to Public Service Law § 70, that are necessary for the continued operation of Transco's New York Energy Solution transmission project (the NYES Project).

The full text of the verified joint petition and the full record of the proceeding may be reviewed online at the Department of Public Service web page: [www.dps.ny.gov](http://www.dps.ny.gov). The Commission may adopt, reject, or modify, in whole or in part, the action proposed and may resolve related matters.

***Text of proposed rule and any required statements and analyses may be obtained by filing a Document Request Form (F-96) located on our website <http://www.dps.ny.gov/f96dir.htm>. For questions, contact: [\_\_\_\_\_].***

***Data, views or arguments may be submitted to:*** Michelle Phillips, Secretary, Public Service Commission, 3 Empire State Plaza, Albany, New York 12223-1350, (518) 474-6517, email: [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov).

***Public comment will be received until:*** 60 days after publication of this notice.

***Regulatory Impact Statement, Regulatory Flexibility Analysis, Rural Area Flexibility Analysis and Job Impact Statement***

Statements and analyses are not submitted with this notice because the proposed rule is within the definition contained in Section 102 (2) (a) (ii) of the State Administrative Procedure Act. (24-E-\_\_\_\_\_)