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October 29, 2001

VIA HAND DELIVERY

Hon. Janet Hand Deixler
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 01-____ - Joint Petition of Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation for Authority Under Section 70 of the Public Service Law to Transfer Certain Interests in Real Property and for Related Relief

Case 01-____ - Joint Petition of Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Mirant Bowline, L.L.C., Mirant Lovett, L.L.C., Mirant New York Gen, L.L.C. and Hudson Valley Gas Corporation Pursuant to Section 202(6) of the State Administrative Procedure Act Seeking a Declaratory Ruling Waiving the Requirements of Section 202(1) of the State Administrative Procedure Act

Dear Secretary Deixler:

Enclosed are an original and five copies of the following petitions:

Joint Petition of Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation for Authority Under Section 70 of the Public Service Law to Transfer Certain Interests in Real Property and for Related Relief

Joint Petition of Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Mirant Bowline, L.L.C., Mirant Lovett, L.L.C., Mirant New York Gen, L.L.C. and Hudson Valley Gas Corporation Pursuant to Section 202(6) of the State Administrative Procedure Act Seeking a Declaratory Ruling Waiving the Requirements of Section 202(1) of the State Administrative Procedure Act

A State Administrative Procedure Act Notice of Proposed Rulemaking Form also is enclosed.

Kindly date-stamp the extra copy of each of the Joint Petitions and return them to our messenger. If you have any questions, please call me.

Very truly yours,

COUCH WHITE, LLP

Barbara S. Brenner

Barbara S. Brenner

BSB/sem
Enclosures
cc: Steven Blow, Esq. (via hand delivery w/encs.)
John L. Carley, Esq. (via Fedex w/encs.)
Ms. Christina Palmero (via hand delivery w/encs.)
Mr. James de Waal Malefyt (via hand delivery w/encs.)
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NYS Department of State

NOTICE OF PROPOSED RULE MAKING

Public Service Commission
(Submitting Agency)

NOTE: Typing and submission instructions are at the end of this form. Please be sure to COMPLETE ALL ITEMS. Incomplete forms and nonscannable text attachments will be cause for rejection of this notice.

Pursuant to the provisions of the State Administrative Procedure Act (SAPA), NOTICE is hereby given of the following agency action:

1. Proposed action(s): The Public Service Commission is considering whether to approve the transfer of certain interests in real property from Consolidated Edison Company of New York, Inc. to Orange and Rockland Utilities, Inc.; and the subsequent transfer of certain easements from Orange and Rockland Utilities, Inc. to Mirant Bowline, L.L.C and Hudson Gas Corporation; and the transfer of an easement from Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation to Orange and Rockland Utilities, Inc.

2. Statutory authority under which the rule is proposed: Public Service Law, Sections 70.

3. Subject of rule: Approval of the transfer of easements and property.

4. Purpose of rule: To approve the transfer by Consolidated Edison Company of New York, Inc. of a 2/3 interest in the right-of-way from the West Haverstraw Substation to the Ladentown Substation to Orange and Rockland Utilities, Inc., the owner of the other 1/3 of the right-of-way and then a subsequent grant by Orange & Rockland Utilities, Inc. to Mirant Bowline, L.L.C. of an easement over the property upon which Mirant Bowline, L.L.C. will construct an underground electric transmission line; the grant of an easement from Orange and Rockland Utilities, Inc. to Hudson Valley Gas Corporation upon which a natural gas pipeline will be constructed by Hudson Valley Gas Corporation; and the grant of an easement by Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation to Orange and Rockland Utilities, Inc. for the construction of a gas regulation station and the connection of the station to Hudson Valley Corporation's natural gas pipeline and Orange and Rockland Utilities, Inc.'s gas distribution system.

NOTICE OF PROPOSED RULE MAKING

5. Terms of rule (check applicable box):

- ☐ The rule contains 2,000 words or less. An original copy of the text in scannable format is attached to this form.
- ☐ The rule contains more than 2,000 words. Therefore, an original copy of a summary of the text (in scannable format) is attached to this form.
- ☐ Pursuant to SAPA § 202 (7)(b), the agency elects to print a description of the subject, purpose and substance of the rule containing less than 2,000 words. The original text in scannable format is attached to this form.

6. The text of the rule, regulatory impact statement and regulatory flexibility analysis may be obtained from:

Name of agency contact ______________________________

Office address ______________________________

____

Telephone No.____________________

7. Regulatory impact statement (check applicable box):

- ☐ A regulatory impact statement of 2,000 words or less is submitted with this notice.
- ☐ A summary of the regulatory impact statement is submitted with this notice because the full text exceeds 2,000 words.
- ☐ A consolidated regulatory impact statement is submitted with this notice because:
  - ☐ the rule is one of a series of closely related and simultaneously proposed rules.
  - ☐ the rule is one of a series of virtually identical rules proposed during the same year.
- ☐ A regulatory impact statement is not submitted with this notice because this action is a technical amendment and, therefore, exempt from SAPA § 202-a. Attached to this notice is a statement of the reason(s) for claiming this exemption.
- ☐ A regulatory impact statement is not submitted with this notice because this action is subject to a consolidated regulatory impact statement previously printed in the State Register under a notice of proposed rule making. ID No. ____________________; Register Date. ____________________.
- ☐ A regulatory impact statement is not submitted with this notice because this action is a "rate making" as defined in SAPA § 102(2)(a)(1).

8. Regulatory flexibility analysis (check applicable box):

- ☐ A regulatory flexibility analysis of 2,000 words or less is submitted with this notice.
- ☐ A summary of the regulatory flexibility analysis is submitted with this notice because the full text exceeds 2,000 words.
- ☐ A regulatory flexibility analysis is not submitted with this notice because this action will not impose any adverse economic impact on small businesses and will not impose any reporting, recordkeeping or other compliance requirements on small businesses. A statement is attached setting forth this agency's finding and the reasons upon which the finding was made, including what measures were used by this agency to ascertain that this action will not impose such compliance requirements, or adverse economic impact on small businesses.
- ☐ A regulatory flexibility analysis is not submitted with this notice because this action is a "rate making" as defined in SAPA § 102(2)(a)(ii).
- ☐ A consolidated regulatory flexibility analysis is submitted with this notice because this action is the first of a series of closely related rules that will be subject to the same analysis.
- ☐ A regulatory flexibility analysis is not submitted because this action is subject to a consolidated regulatory flexibility analysis that was previously printed in the State Register under a notice of proposed rule making. ID No. ________________________; Register No. ________________.

9. Expiration Date (check only if applicable):

- ☐ This proposal will not expire in 180 days because it is for a "rate making" as defined in SAPA § 102(2)(a)(11).

10. Public Hearings (check box and complete as applicable):

- ☐ A public hearing is required by law and will be held at ________ a.m./p.m. on ______________ 2001, at ____
____
- ☐ A public hearing is not required by law and has not been scheduled.
- ☐ A public hearing is not required by law, but will be held at ________ a.m./p.m. on ______________ 2001, at ____
____
____

NOTICE OF PROPOSED RULE MAKING

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11. Interpreter Services (check only if a public hearing is schedule):

    ☐ Interpreter services will be made available to deaf persons at no charge, upon written request submitted within a reasonable time prior to the scheduled hearing. Requests must be addressed to the agency contract designated in this notice.

12. Accessibility (check only if a public hearing is schedule):

    ☐ All Public hearings have been scheduled at places reasonably accessible to persons with a mobility impairment.

    1. ____________________
    2. ____________________
    3. ____________________

    ☐ None of the scheduled public hearing are at places that are reasonably accessible to persons with a mobility impairment.

    ☐ An optional explanation is being submitted regarding the nonaccessibility of one or more hearing sites.

13. Submit data, views or arguments to (complete only if different than previously named agency contact):

    Name of agency contact Janet Hand Deixler, Secretary
    Office address Public Service Commission, Building 3
    Empire State Plaza, Albany, New York 12223-1350
    Telephone No. (518) 474-2508

14. Additional matter required by statute:

    ☐ Check box if NOT applicable.

15. Public comment will be received until:

    ☐ 45 days after publication of this notice (MINIMUM public comment period)

    ☐ 5 days after the last scheduled public hearing required by statute (MINIMUM, with required hearing)

    ☐ Other: (specify) ____________________

NOTICE OF PROPOSED RULE MAKING

AGENCY CERTIFICATION (To be completed by the person who PREPARED this Notice.)

I have reviewed this form and the information submitted with it. The information contained in this notice is correct to the best of my knowledge.

I have reviewed Article 2 of SAPA and Parts 260 through 263 of 19 NYCRR and I hereby certify that this notice complies with all applicable provisions.

Name ______________________________ Signature ______________________________

Address ____________________________________ Date __________________________

Telephone __________________________________

Please read before submitting this notice

1. Except for this form itself, all text must be typed in scannable format as described in the Department of State's "NYS Register Procedures Manual."

2. Submit the original and one copy of this notice, properly collated: a) form; b) text or summary of rule; c) regulatory impact statement; and d) regulatory flexibility analysis.
3. This notice may be hand delivered or mailed:

   a. Hand deliver or express mail to: Register/NYCRR Unit, Department of State
      41 State Street (11th Floor)
      Albany, New York 12207

   b. Address mail to: Resister/NYCRR Unit, Department of State
      162 Washington Avenue
      Albany, New York 12231

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BEFORE THE NEW YORK STATE
PUBLIC SERVICE COMMISSION

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Joint Petition of Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc.,Mirant Bowline, L.LC., and Hudson Valley Gas Corporation Pursuant to Section 202(6) of the State Administrative Procedure Act Seeking a Declaratory Ruling Waiving the Requirements of Section 202(1) of the State Administrative Procedure Act

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JOINT PETITION OF CONSOLIDATED EDISON COMPANY OF NEW YORK, INC., ORANGE AND ROCKLAND UTILITIES, INC.,MIRANT BOWLINE, L.LC., MIRANT LOVETT, L.L.C., MIRANT NEW YORK GEN, L.L.C., AND HUDSON VALLEY GAS CORPORATION PURSUANT TO SECTION 202(6) OF THE STATE ADMINISTRATIVE PROCEDURE ACT SEEKING A DECLARATORY RULING WAIVING THE REQUIREMENTS OF SECTION 202(1) OF THE STATE ADMINISTRATIVE PROCEDURE ACT

I. OVERVIEW

Pursuant to Section 202(6) of the New York State Administrative Procedure Act, Consolidated Edison Company of New York Inc. ("Con Edison"), Orange and Rockland Utilities, Inc. ("Orange and Rockland"), Mirant Bowline, L.L.C. ("Mirant Bowline") and Hudson Valley Gas Corporation ("Hudson Valley") (collectively, "Petitioners"), respectfully submit this Petition requesting that the Commission issue an order waiving the requirements of Section 202(1) of the New York State Administrative Procedure Act with respect to Petitioners' Joint Petition pursuant to Section 70 of the Public Service Law ("Section 70 Petition") which requests authority to allow the Petitioners to grant and transfer certain interests in real property (collectively, the "Properties"). Specifically, Con Edison requests authorization to transfer, at Con Edison's book value, its 2/3 interest in the right-of-way from the West Haverstraw Substation to the Ladentown Substation ("ROW Corridor") to Orange and Rockland, the owner of the other 1/3 interest in the right-of-way along the ROW Corridor. The ROW Corridor is more fully described in a Deed from Orange and Rockland to Orange and Rockland and Con Edison dated August 2, 1977 and recorded in the Rockland County Clerk's Office at Liber 995, Page 420 on August 15, 1977.

In addition, Orange and Rockland requests authorization to grant to Mirant Bowline an easement over property owned by Orange and Rockland, and assign to Mirant Bowline rights pursuant to rights-of-way held by Orange and Rockland, along the ROW Corridor to facilitate construction by Mirant Bowline of a 345 kilovolt ("kV") underground electric transmission line in the Towns of Haverstraw and Ramapo and the Villages of West Haverstraw and Pomona, Rockland County, New York ("Electric Transmission Line Easement"). The Electric Transmission Line Easement is more fully described in Exhibit E to the Settlement Agreement ("Settlement Agreement") dated as of August 15, 2001 by and among Orange and Rockland, Mirant Bowline, Hudson Valley, Mirant Lovett, L.L.C. ("Mirant Lovett"), and Mirant N.Y. Gen, L.L.C. ("Mirant NY-Gen"). A copy of the Settlement Agreement is attached to the Section 70 Petition as Exhibit 2.

Orange and Rockland also seeks authorization to grant easements to Hudson Valley over property owned by Orange and Rockland, and assign to Hudson Valley rights pursuant to rights-of-way held by Orange and Rockland, to facilitate the construction of a 24-inch outside diameter natural gas pipeline in the Towns of Haverstraw, Clarkstown and the Village of West Haverstraw, Rockland County, New York ("Natural Gas Pipeline Easement"). The Natural Gas Pipeline Easement is described more fully in Exhibit D to the Settlement Agreement.

Finally, Mirant Bowline and Hudson Valley request authorization, to the extent such authorization may be deemed necessary, to grant to Orange and Rockland an easement at the Bowline Point Generating Station ("Bowline Station") for a gas regulation station ("Regulator Station") and for the connection of the Regulator Station to both Hudson

Valley's proposed 24-inch natural gas pipeline and Orange and Rockland's gas distribution system (collectively, the "Regulator Station Easement"). The Regulator Station Easement is more fully described in Exhibit B to the Settlement Agreement. As described in more detail below, the Electric Transmission Line Easement, the Natural Gas Pipeline Easement, and the Regulator Station Easement are being granted as part of a comprehensive settlement between Orange and Rockland and Mirant Bowline, Mirant Lovett, Mirant NY-Gen, and Hudson Valley, the terms of which are set forth in the Settlement Agreement.

Petitioners respectfully submit that the proposed transfers are in the public interest. Con Edison's transfer of its right-of-way to Orange and Rockland, and Orange and Rockland's subsequent grant to Mirant Bowline of the Electric Transmission Line Easement will facilitate Mirant Bowline's construction of its proposed 345 KV underground electric transmission line ("Electric Transmission Line"). The Electric Transmission Line is required to connect Mirant Bowline's proposed 750 megawatt gas-fired, combined cycle electric generation facility at the Bowline Station ("Bowline Unit 3") with the Ladentown Substation.

Similarly, Orange and Rockland's grant of the Natural Gas Pipeline Easement to Hudson Valley will facilitate Hudson Valley's construction of a 24-inch natural gas pipeline ("Natural Gas Pipeline") from the Bowline Station to the Buena Vista Gas Measuring Station, where said pipeline will interconnect with Columbia Gas Transmission Corporation's ("Columbia") existing interstate natural gas pipeline. The Natural Gas Pipeline will allow for the transportation of natural gas to existing Bowline Units 1 and 2, as well as the proposed Bowline Unit 3, where the natural gas will be used to generate electricity. Granting of the Electric Transmission Line Easement and the Natural Gas Pipeline Easement will allow Bowline Units 1 and 2 to have access to adequate gas transmission capacity and will assist in the successful operation of the proposed Bowline Unit 3 and, thus, is consistent with the Commission's and New York State's goals of providing clean energy and of supporting, indeed expediting, the construction of new base load electric generation.

The granting of the Regulator Station Easement will benefit Orange and Rockland's customers by providing additional operating flexibility, increased reliability, and postponing the need for improvements to Orange and Rockland's gas distribution system.

II. DESCRIPTION OF THE PARTIES

A. Con Edison

Con Edison, a wholly-owned subsidiary of Consolidated Edison, Inc. ("CEI"), is an electric, gas, and steam corporation organized under the laws of the State of New York, including the Transportation Corporations Law, and has its principal place of business at 4 Irving Place, New York, New York 10003. Con Edison supplies electric service in all of New York City (except part of Queens) and in most of Westchester County; gas service in Manhattan, the Bronx and parts of Queens and Westchester Counties; and steam service in part of Manhattan.

B. Orange and Rockland

Orange and Rockland, a wholly-owned subsidiary of CEI, is an electric and gas corporation organized under the laws of the State of New York, including the Transportation Corporations Law, and has its principal place of business at One Blue Hill Plaza, Pearl River, New York 10965. Orange and Rockland supplies electric and gas service to approximately 204,000 customers in Orange, Rockland and Sullivan Counties in the State of New York.

C. Mirant Bowline

Mirant Bowline, a Delaware limited liability company, with its principal place of business at Four Executive Boulevard, Suite 100, Suffern, New York 10901, is the successor to Southern Energy Bowline, L.L.C. ("Southern Bowline") and is wholly-owned indirect subsidiary of Mirant, Inc. and owns and operates the Bowline Station.

D. Hudson Valley

Hudson Valley is a corporation organized pursuant to the New York Transportation Corporations Law with its principal place of business at Four Executive Boulevard, Suite

100, Suffern, New York 10901. Hudson Valley is a subsidiary of Mirant New York Investments, Inc., which in turn is a wholly-owned indirect subsidiary of Mirant, Inc.

III. BACKGROUND

On February 26, 1999, Orange and Rockland, Con Edison and Southern Energy Inc. ("SEI") filed a petition with the Commission pursuant to Section 70 of the Public Service Law seeking authorization to transfer certain electric generation assets to SEI's affiliates, including inter alia, the transfer of the Bowline Station from Orange and Rockland and Con Edison to Southern Bowline, LLC ("Southern Bowline"). On June 24, 1999, the Commission issued an order approving the transfer of the Bowline Station to Southern Bowline.[1]

On December 27, 1999, Southern Bowline filed an Application pursuant to Subpart 85-13 of the Commission's Rules of Procedure to construct a fuel gas transmission line which is less than 10 miles long.[2] On January 17, 2001, Southern Bowline filed with the Commission a "Notice of Substitution of Applicant" in Case 99-T-1814, supra, substituting Hudson Valley as the Applicant in the Article VII proceeding insofar as the Applicant seeks to construct the natural gas pipeline and appurtenances. By order dated March 28, 2001, the Commission granted Hudson Valley a Certificate of Environmental Compatibility and Public Need for the Natural Gas Pipeline.[3]

On March 3, 2000 Mirant Bowline filed an application pursuant to Article VII to construct and operate an underground 345 kV electric transmission line from the Bowline

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[1] Case 96-E-0900, In the Matter of Orange and Rockland Utilities Inc.'s Plans for Electric Rate/Restructuring Pursuant to Opinion No. 96-12, Order Approving Transfer of Generating Facilities and Making Other Findings (issued June 24, 1999).

[2] Case 99-T-1814, Application of Southern Energy Bowline, L.L.C. for a Certificate of Environmental Compatibility and Public Need for the Construction of a 4.2 mile, 24-inch Natural Gas Pipeline in the Towns of Haverstraw, Clarkstown and Village of West Haverstraw, Rockland County.

[3] Case 99-T-1814, supra, Order Granting Certificate of Environmental Compatibility and Public Need and Acknowledging Filing of Certified Statement (issued March 29, 2001).

Station to the West Haverstraw substation.[4] On January 31, 2001, Mirant Bowline filed a supplement to the Electric Article VII Application. The Electric Transmission Line will extend approximately 7 miles from Bowline Unit 3 to the Ladentown Substation and will be constructed within the Electric Transmission Line Easement.

On March 20, 2000, Southern Bowline filed an application pursuant to Article X of the Public Service Law to construct Bowline Unit 3.[5]

On August 31, 2001, Mirant and Orange and Rockland executed the Settlement Agreement.

The Petitioners, in conjunction with this petition, are filing a Section 70 Petition with the Commission.

IV. THE COMMISSION SHOULD ISSUE AN ORDER WAIVING THE REQUIREMENTS OF SECTION 202(1) OF THE STATE ADMINISTRATIVE PROCEDURE ACT WITH RESPECT TO THE PROPOSED TRANSFER OF PROPERTIES FROM MIRANT TO ORANGE AND ROCKLAND

16. Pursuant to Section 202(6) of the New York State Administrative Procedure Act, the Commission may waive the requirements of Section 202(1) of the New York State Administrative Procedure Act and adopt a rule on an emergency basis. To qualify for a waiver, the Commission must "find that the immediate adoption of a rule is necessary for the preservation of the public heath, safety or general welfare and that compliance with the requirements of subdivision one of [Section 202] would be contrary to the public interest." N.Y. A.P.A. Section 202(6)(a) (McKinney 1995 & Supp. 2001).

17. Pursuant to Section 70 of the Public Service Law, no gas or electric corporation may "transfer or lease its franchise, works or system or any part of such

[4] Case 00-T-0409, In the Matter of the Application of Mirant Bowline, L.L.C. [formerly Southern Energy Bowline, L.L.C.] Pursuant to Subpart 85-2 of the Public Service Commission's Rules of Procedure for a Certificate of Environmental Compatibility and Public Need for an Electric Transmission Line. ("Electric Article VII Application")

[5] Case 99-F-1164 – In the Matter of Southern Energy Bowline, L.L.C., for a Certificate of Environmental Compatibility and Public Need to Construct and Operate a Nominal 750 Megawatt Combined Cycle Combustion Turbine Electric Generating Plant in Haverstraw, Rockland County, New York.

franchise, works or system to any other person or corporation or contract for the operation of its works and system, without the written consent of the Commission." N.Y. Pub. Serv. Law Section 70 (McKinney 1999). Petitioners, in conjunction with this petition, are concurrently filing with the Commission the Section 70 Petition. (See Appendix A.)

18. As set forth more fully in the Section 70 Petition, the transfer of the Properties is in the public interest. Hudson Valley has satisfied all of the pre-construction requirements set forth in the Certificate and has commenced construction of the Natural Gas Pipeline. Hudson Valley has obtained either title to or easements through all of the real property necessary for construction of the pipeline except for the easements from Orange and Rockland identified in Exhibit D to the Settlement Agreement consisting of nine (9) separate parcels.

19. However, immediate access to these parcels is necessary to ensure the prompt completion of the Natural Gas Pipeline. Without immediate access to these parcels, construction will not be able to proceed as scheduled, creating additional financial expenses for Hudson Valley and delaying the benefits of supplying the natural gas requirements necessary to operate Bowline Units 1 and 2. It is axiomatic that the fall months are a favorable time of the year to perform a construction project, particularly one of this nature where trenches must be dug, top soil removed and replaced, lawns and landscaping immediately restored and appropriate mitigation measures implemented through public lands. Moreover, the Code of the Town of Clarkstown, prohibits street openings between November 15 and April 1. Thus, any delay in approval of the Section 70 Petition will have an adverse impact on the construction of the Natural Gas Pipeline and associated public benefits, as well as the financial health of Hudson Valley. Moreover, a delay in the pipeline installation will also postpone the use of freed up capacity on Orange and Rockland's existing natural gas distribution system for possible use at the Lovett Station. As such, the Commission should waive the requirements of Section 220(1) of the New York State Administrative Procedures Act to ensure timely construction before the onset of winter.

20. In addition, pursuant to paragraph 3 of the Settlement Agreement a Transformer Bank is to be designed and installed on property owned by Mirant Bowline so as to provide an interconnection between Con Edison's 345 kV System and Orange and Rockland's 138 kV system. The installation of the Transformer Bank will provide for a new source of 138 kV transmission which will alleviate Orange and Rockland's Eastern Load Pocket and provide enhanced reliability of electric service to Orange and Rockland's customers. Thus, in order to bring this substantial benefit to the public with alacrity, the immediate approval of the Settlement Agreement is necessary.

21. Significantly, the Commission has granted petitions on an emergency basis in analogous situations. See Case 94-E-0098, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation for Electric Service, "Order Granting Wind Project Exception" (issued June 30,1999); Case 98-M-1043, Joint Petition of New York State Electric & Gas Corporation and Telergy, Inc. for the Approval of a Right-of-Occupancy Agreement in certain electric and gas transmission rights-of-way, "Order Approving Recommendation" (issued December 1, 1998); Case 97-M-0873, Notice of Intent of New York State Electric & Gas Corporation to Sell Approximately 10.1 Acres of its Elmira Service Center Property Located in Town of Horseheads, Chemung County, to Pierce Hard Limited Partnership for the Sum of $250,000, (issued May 23, 1997).

22. In Case 98-M-1032, supra, in a September 4, 1998 order[6], the Commission granted a petition on an emergency basis to permit New York State Electric & Gas Corporation ("NYSEG") and Telergy, Inc. to enter into a joint venture to construct a fiber optic telecommunications facility because of the shortness of the remaining construction season and because delays could cause substantial financial problems for the companies.

[6] The September 4, 1998 order is a one-Commissioner order which was confirmed by the Commission on September 16, 1998.

23. Similarly, in Case 94-E-009, supra, the Commission granted a petition to build a wind project on an emergency basis to ensure that construction was not delayed and to protect the state's interest in the development of the wind energy industry.

24. Moreover, in Case 97-M-0873, supra, NYSEG petitioned to sell a piece of land to a limited partnership under Section 70 of the New York Public Service law to build a new lumber store to replace one that burned down. The Commission expedited the process under Section 202(6) of the New York State Administrative Procedure Act to minimize the delay in replacing an important business, alleviate the impact on displaced workers, and allow most of the construction to be performed during the favorable construction seasons of spring and summer.[7]

25. As such, based on the foregoing, the Commission should waive the requirements of Section 220(1) of the New York State Administrative Procedure Act to ensure the timely and efficient use of Petitioners' resources and the concomitant public benefits.

WHEREFORE, for the reasons set forth herein, Petitioners respectfully request that this Joint Petition be granted and that the Commission approve the Section 70 Petition on an emergency basis pursuant to Section 202(6) of the New York State Administration Procedure Act.

Dated : Albany, New York
October 29, 2001

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[7] See Case 97-M-0873, "Recommendation that the Commission should adopt on a permanent basis the provisions of its Order issued May 23, 1997 in Case 97-M-0873"(issued August 6, 1997).

Respectfully submitted,

John L. Carley

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Company of
New York, Inc.
4 Irving Place, Room 1815-S
New York, New York 10003
Tel: (212) 460-2097
Fax: (212) 677-5850

Counsel for Orange and Rockland Utilities, Inc. and Consolidated Edison Company of New York, Inc.

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

John L. Carley, being duly sworn, deposes and says that deponent is Assistant General Counsel of Orange and Rockland Utilities, Inc. and Consolidated Edison Company of New York, Inc., the corporations named in the within action; that deponent has read the foregoing Joint Petition and knows the contents thereof; that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes it to be true.

John L. Carley

John L. Carley, Assistant General Counsel

Sworn to before me this
25th day of October, 2001.

Sylven Glynn

Notary Public
SYLVEN GLYNN
Notary Public, State of New York
No. 01GL5065881
Qualified in Kings County
Commission Expires September 18, ~~19~~ 2004

Algird F. White, Jr., Esq.
Couch White, LLP
540 Broadway
P.O. Box 22222
Albany, New York 12201-2222
Tel: (518) 426-4600
Fax: (518) 426-0376

Counsel for Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

Algird F. White, Jr., being duly sworn, deposes and says:

I am the attorney for Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation, the Petitioners herein and I have my office at 540 Broadway, Albany, New York; I have read the foregoing Joint Petition and know the contents thereof and the same is true of my own knowledge except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe it to be true; this verification is made by me, instead of by the Petitioners, because the Petitioners are not within the County of Albany, which is the county where I have my office. The grounds of my belief as to all matters in the Joint Petition not stated upon my knowledge are as follows: discussions with corporate officers and employees.

Algird F. White, Jr., Esq.

Sworn to before me this
29th day of October, 2001.

JOSEPH B. CARR
Notary Public, State of New York
Albany County
A4624595
Commission Expires Feb. 28, 2003

Notary Public

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BEFORE THE NEW YORK STATE
PUBLIC SERVICE COMMISSION

Joint Petition of Consolidated Edison	:
Company of New York, Inc., Orange	:
And Rockland Utilities Inc., Mirant	:
Bowline, L.L.C. And Hudson Valley Gas	:
Corporation For Authority Under	:
Section 70 Of The Public Service Law To	:
Transfer Certain Interests In Real	:
Property And For Related Relief	:

JOINT PETITION OF CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. ORANGE AND ROCKLAND UTILITIES, INC. MIRANT BOWLINE, L.L.C. AND HUDSON VALLEY GAS CORPORATION FOR AUTHORITY UNDER SECTION 70 OF THE PUBLIC SERVICE LAW TO TRANSFER CERTAIN INTERESTS IN REAL PROPERTY AND FOR RELATED RELIEF

I. OVERVIEW

Pursuant to Section 70 of the Public Service Law, Consolidated Edison Company of New York, Inc. ("Con Edison"), Orange and Rockland Utilities, Inc. ("Orange and Rockland"), Mirant Bowline, L.L.C. ("Mirant Bowline") and Hudson Valley Gas Corporation ("Hudson Valley"),[1] hereby request authorization to transfer certain interests in real property identified herein and for related relief.

Specifically, Con Edison requests authorization to transfer, at Con Edison's book value, its 2/3 interest in the right-of-way from the West Haverstraw Substation to the Ladentown Substation ("ROW Corridor") to Orange and Rockland, the owner of the other 1/3 interest in the

[1] Con Edison, Orange and Rockland, Mirant Bowline and Hudson Valley will be referred to herein collectively as the "Petitioners."

right-of-way along the ROW Corridor. The ROW Corridor is more fully described in a deed from Orange and Rockland to Orange and Rockland and Con Edison dated August 2, 1977 and recorded in the Rockland County Clerk's office at Liber 995, page 420 on August 15, 1977.

In addition, Orange and Rockland requests authorization to grant to Mirant Bowline an easement over property owned by Orange and Rockland, and assign to Mirant Bowline rights pursuant to rights-of-way held by Orange and Rockland, along the ROW Corridor to facilitate construction by Mirant Bowline of a 345 kilovolt ("kV") underground electric transmission line approximately seven miles in length in the Towns of Haverstraw and Ramapo and the Villages of West Haverstraw and Pomona, Rockland County, New York ("Electric Transmission Line Easement"). The Electric Transmission Line Easement is more fully described in Exhibit E to the Settlement Agreement ("Settlement Agreement") dated as of August 15, 2001, by and among Orange and Rockland, Mirant Bowline, Hudson Valley, Mirant Lovett, L.L.C. ("Mirant Lovett"), and Mirant N.Y. Gen, L.L.C. ("Mirant NY-Gen")[2]. A copy of the Settlement Agreement is attached hereto as Exhibit 2.

Orange and Rockland also seeks authorization to grant easements to Hudson Valley over property owned by Orange and Rockland, and assign to Hudson Valley rights pursuant to rights-of-way held by Orange and Rockland, to facilitate the construction of a 24-inch outside diameter natural gas pipeline in the Towns of Haverstraw, Clarkstown and the Village of Haverstraw, Rockland County, New York ("Natural Gas Pipeline Easement"). The Natural Gas Pipeline Easement is more fully described in Exhibit D to the Settlement Agreement.

Finally, Mirant Bowline and Hudson Valley request authorization to grant to Orange and Rockland an easement at the Bowline Point Generating Station ("Bowline Station") for a gas

[2] Mirant Bowline, Mirant Lovett, and Mirant NY-Gen will be referred to herein collectively as "Mirant".

regulation station ("Regulator Station") and for the connection of the Regulator Station to both Hudson Valley's proposed 24-inch natural gas pipeline and Orange and Rockland's gas distribution system (collectively, the "Regulator Station Easement"). The Regulator Station Easement is more fully described in Exhibit B to the Settlement Agreement. As described in more detail below, the Electric Transmission Line Easement, the Natural Gas Pipeline Easement, and the Regulator Station Easement are being granted as part of a comprehensive settlement between Orange and Rockland and Mirant Bowline, Mirant Lovett, Mirant NY-Gen, and Hudson Valley, the terms of which are set forth in the Settlement Agreement.

Petitioners respectfully submit that the proposed transfers are in the public interest. Con Edison's transfer of its 2/3 interest in the ROW Corridor to Orange and Rockland, and Orange and Rockland's subsequent grant to Mirant Bowline of the Electric Transmission Line Easement will facilitate Mirant Bowline's construction of its proposed 345 KV underground electric transmission line ("Electric Transmission Line"). The Electric Transmission Line is required to connect Mirant Bowline's proposed 750 megawatt gas-fired, combined cycle electric generation facility at the Bowline Station ("Bowline Unit 3") with the Ladentown Substation.

Similarly, Orange and Rockland's grant of the Natural Gas Pipeline Easement to Hudson Valley will facilitate Hudson Valley's construction of a 24-inch natural gas pipeline ("Natural Gas Pipeline") from the Bowline Station to the Buena Vista Gas Measuring Station, where said pipeline will interconnect with Columbia Gas Transmission Corporation's ("Columbia") existing interstate natural gas pipeline. The Natural Gas Pipeline will allow for the transportation of natural gas to the existing electric generation facilities known as Bowline Units 1 and 2, as well as to the proposed Bowline Unit 3 where the natural gas will be used to generate electricity. Granting of the Electric Transmission Line Easement and the Natural Gas Pipeline Easement will assist in the successful operation of Bowline Units 1 and 2 and the proposed Bowline Unit 3 and, thus, is consistent with the Commission's and New York State's goal of supporting, indeed expediting, the construction of new base load electric generation.

The granting of the Regulator Station Easement will benefit Orange and Rockland's customers by providing additional operating flexibility, increased reliability, and postponing the need for improvements to Orange and Rockland's gas distribution system.

The information required to be presented under Parts 31 and 18 of the Commission's Rules and Regulations[3] is set forth in Exhibit 1 attached hereto. Hudson Valley and Mirant Bowline are exempt from the foregoing.[4]

II. DESCRIPTION OF THE PARTIES

A. Con Edison

Con Edison, a wholly-owned subsidiary of Consolidated Edison, Inc. ("CEI"), is an electric, gas, and steam corporation organized under the laws of the State of New York, including the Transportation Corporations Law, and has its principal place of business at 4 Irving Place, New York, New York 10003. Con Edison supplies electric service in all of New York City (except part of Queens) and in most of Westchester County; gas service in Manhattan, the Bronx and parts of Queens and Westchester Counties; and steam service in part of Manhattan.

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[3] 16 NYCRR Parts 31 and 18.

[4] Case 01-G-0045. Petition of Hudson Valley Gas Corporation for a Declaratory Ruling (1) that Hudson Valley Gas is exempt from regulation as a gas corporation except with respect to certain safety and environmental matters; and (2) notwithstanding the exemption sought, certifying that the Commission has regulatory jurisdiction over the rates, service and facilities of Hudson Valley Gas and that it is exercising such jurisdiction, Order Concerning Exemption from Jurisdiction and Transfer of Property (Issued and Effective May 2, 2000) as well as Case 99-E-0633 Southern Energy Bowline LLC, Southern Energy Lovett LLC, and Southern Energy NY-GEN LLC - Joint Petition for a Declaratory Ruling Regarding Regulation of Electric Corporations and Case 99-G-0632 Southern Energy Bowline LLC - Petition Seeking a Declaratory Ruling Regarding Regulation As a Gas Corporation, Order Providing for Lightened Electric and Gas Regulation (Issued and Effective June 24, 1999).

B. Orange and Rockland

Orange and Rockland, a wholly-owned subsidiary of CEI, is an electric and gas corporation organized under the laws of the State of New York, including the Transportation Corporations Law, and has its principal place of business at One Blue Hill Plaza, Pearl River, New York 10965. Orange and Rockland supplies electric and gas service to approximately 204,000 customers in Orange, Rockland and Sullivan Counties in the State of New York.

C. Mirant Bowline

Mirant Bowline, a Delaware limited liability company with its principal offices at Four Executive Boulevard, Suite 100, Suffern, New York 10901, is the successor to Southern Energy Bowline, L.L.C. ("Southern Bowline") and is a wholly-owned, indirect subsidiary of Mirant, Inc. Mirant Bowline owns and operates the Bowline Station.

D. Hudson Valley

Hudson Valley is a corporation organized pursuant to the New York Transportation Corporations Law with its principal place of business at Four Executive Boulevard, Suite 100, Suffern, New York 10901. Hudson Valley is a subsidiary of Mirant New York Investments, Inc., which in turn is a wholly-owned subsidiary of Mirant, Inc.

III. BACKGROUND

On February 26, 1999, Orange and Rockland, Con Edison and Southern Energy, Inc. ("SEI") filed a petition with the Commission pursuant to Section 70 of the Public Service Law seeking authorization to transfer certain electric generation assets to SEI's affiliates, including inter alia, the transfer of the Bowline Station from Orange and Rockland and Con Edison to

Southern Bowline. On June 24, 1999, the Commission issued an order approving the transfer of the Bowline Station to Southern Bowline.[5]

By Order dated and effective June 24, 1999, the Commission granted to Southern Bowline, Southern Energy Lovett LLC and Southern Energy NY-GEN LLC an Order for "lightened regulation".[6]

On December 27, 1999, Southern Bowline filed an Application pursuant to Subpart 85-13 of the Commission's Rules of Procedure to construct a fuel gas transmission line which is less than ten miles long.[7] On January 17, 2001, Southern Bowline filed with the Commission a "Notice of Substitution of Applicant" in Case 99-T-1814, supra, substituting Hudson Valley as the Applicant in the Article VII proceeding insofar as the Applicant seeks to construct the Natural Gas Pipeline and appurtenances. By order dated March 29, 2001, the Commission granted Hudson Valley a Certificate of Environmental Compatibility and Public Need for the Natural Gas Pipeline.[8]

On March 3, 2000 Southern Bowline filed an application pursuant to Article VII to construct and operate an underground 345 kV electric transmission line from the Bowline Station to the West Haverstraw Substation.[9] On January 31, 2001, Mirant Bowline filed a supplement to the Electric Article VII Application. The Electric Transmission Line will extend approximately

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[5] Case 96-E-0900, In the Matter of Orange and Rockland Utilities Inc.'s Plans for Electric Rate/Restructuring Pursuant to Opinion No. 96-12, Order Approving Transfer of Generating Facilities and Making Other Findings (issued June 24, 1999).

[6] Case 99-E-0633 and Case 99-G-0632, supra, Order Providing For Lightened Electric and Gas Regulation.

[7] Case 99-T-1814, Application of Southern Energy Bowline, L.L.C. for a Certificate of Environmental Compatibility and Public Need for the Construction of a 4.2 mile, 24-inch Natural Gas Pipeline in the Towns of Haverstraw, Clarkstown and Village of West Haverstraw, Rockland County.

[8] Case 99-T-1814, supra, Order Granting Certificate of Environmental Compatibility and Public Need and Acknowledging Filing of Certified Statement (issued March 29, 2001).

[9] Case 00-T-0409, In the Matter of the Application of Mirant Bowline, L.L.C. [formerly Southern Energy Bowline, L.L.C.] Pursuant to Subpart 85-2 of the Public Service Commission's Rules of Procedure for a Certificate of Environmental Compatibility and Public Need for an Electric Transmission Line. ("Electric Article VII Application")

seven miles from Bowline Unit 3 to the Ladentown Substation and will be constructed within the Electric Transmission Line Easement.

On March 20, 2000, Southern Bowline filed an application pursuant to Article X to construct Bowline Unit 3.[10] By Order dated and effective May 2, 2001, the Commission granted to Hudson Valley an Order for "light regulation".[11]

On August 15, 2001, Mirant, Hudson Valley and Orange and Rockland executed the Settlement Agreement.

The Petitioners, in conjunction with this Petition, are filing with the Commission a joint petition pursuant to Section 202(6) of the New York State Administrative Act seeking a Declaratory Order waiving the requirements of Section 202(1) of the New York State Administrative Procedure Act.

IV. DESCRIPTION OF TRANSACTIONS

Con Edison will transfer to Orange and Rockland, at Con Edison's net book cost of $476,207, Con Edison's 2/3 interest in the ROW Corridor, while receiving from Orange and Rockland a perpetual license for its electric transmission facilities that will remain in the ROW Corridor.

As set forth in the Settlement Agreement, which resolves various commercial issues among the parties, Orange and Rockland, Mirant, and Hudson Valley agree to the following transactions:

(a) Orange and Rockland shall grant to Mirant Bowline the Electric Transmission Line Easement;

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[10] Case 99-F-1164 – In the Matter of Southern Energy Bowline, L.L.C., for a Certificate of Environmental Compatibility and Public Need to Construct and Operate a Nominal 750 Megawatt Combined Cycle Combustion Turbine Electric Generating Plant in Haverstraw, Rockland County, New York.

[11] Case 01-G-0045, supra, Order Concerning Exemption from Jurisdiction and Transfer of Property.

(b) Orange and Rockland shall grant to Hudson Valley the Natural Gas Pipeline Easement;

(c) Mirant Bowline shall grant to Orange and Rockland the Regulator Station Easement;

(d) Mirant Bowline shall install, at its sole expense, a 400 MVA 345/138 kV autobank transformer at the Bowline Station;

(e) Hudson Valley will allow Orange and Rockland to tap the Natural Gas Pipeline at the Bowline Station;

(f) Mirant will pay Orange and Rockland $9,554,643.06 for the station service that Orange and Rockland has provided to Mirant for the period November 18, 1999 through July 14, 2001, and the Settlement Agreement also provides the methodology by which Orange and Rockland will bill Mirant for station service on a going forward basis; and

(g) Orange and Rockland will be allowed to use Mirant's transmission and substation facilities at the Bowline Station at no charge.

V. THE TRANSACTIONS ARE IN THE PUBLIC INTEREST

Pursuant to Section 70 of the Public Service Law, no gas or electric corporation may "transfer or lease its franchise, works or system or any part of such franchise, works or system to any other person or corporation or contract for the operation of its works and system, without the written consent of the Commission." N.Y. Pub. Serv. Law Section 70 (McKinney 1999).

The consummation of the transactions described above is in the public interest. Orange and Rockland's granting of the Electric Transmission Line Easement to Mirant Bowline, after Con Edison's sale of its interest in the ROW Corridor to Orange and Rockland, will facilitate Mirant Bowline's construction of the Electric Transmission Line. Once constructed, the Electric

Transmission Line will be used to transport energy generated at Mirant Bowline's proposed Bowline Unit 3 to the regional transmission grid. Accordingly, the transfer of the Electric Transmission Line Easement will further the Commission's vision of increased customer choice, competition, and enhancing system reliability.[12]

Orange and Rockland's granting of the Natural Gas Pipeline Easement to Hudson Valley will facilitate the construction of the Natural Gas Pipeline. The Commission has granted Hudson Valley a Certificate of Environmental Compatibility and Public Need for the Natural Gas Pipeline, by Order dated March 29, 2001 in Case 99-T-1814. Once constructed, the Natural Gas Pipeline will be used to transport gas to Bowline Units 1 and 2, as well as the proposed Bowline Unit 3. The resulting electric power will be provided to the regional transmission grid. Therefore, Orange and Rockland's transfer of the Natural Gas Pipeline Easement will further the Commission's vision of increased customer choice, competition, and enhancing system reliability. (See Op. No. 96-12 at 24.)

The increased use of natural gas for the production of electricity will reduce and/or displace the use of oil, providing an environmental benefit to the local communities, the region and New York State. The increased use of natural gas for electric generation at the Bowline Station will decrease NOx emissions and fuel oil barge traffic on the Hudson River.

The granting by Hudson Valley and Mirant Bowline of the Regulator Station Easement will allow Orange and Rockland to install a gas regulator station and tap the Natural Gas Pipeline at the Bowline Station. Such installation will provide increased pressures and reliability of service to the central and eastern portions of Rockland County.

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[12] Cases 94-E-0952 et al., Competitive Opportunities Regarding Electric Service, Opinion 96-12 (issued May 20, 1996), p. 24.

Lastly, the completion of these transactions will not diminish the Commission's jurisdiction over Con Edison, Orange and Rockland, Mirant Bowline, and Hudson Valley.[13]

VI. THE TRANSACTIONS WILL NOT RESULT IN ANY POTENTIALLY ADVERSE ENVIRONMENTAL IMPACTS

In May 1996, pursuant to the State Environmental Quality Review Act ("SEQRA"),[14] the Commission issued a Final Generic Environmental Impact Statement ("FGEIS") that addressed the statewide environmental, social and economic impacts of its policy to open New York's electric markets to competition. Moreover, as part of the process for granting Hudson Valley a Certificate of Environmental Compatibility and Public Need for the Natural Gas Pipeline in Case 99-T-1814, the Commission supervised an extensive environmental review of the Natural Gas Pipeline. The Commission, in a companion Article VII proceeding, Case 00-T-0409, is supervising a similar thorough environmental review of the Electric Transmission Line. As set forth in the Environmental Assessment Form prepared by the Petitioners and attached hereto as Exhibit 3, the transfer of the easements is not expected to result in any significant adverse environmental impacts that were not considered and, if necessary, mitigated, as part of Cases 00-T-1814 and 00-T-0409.

[13] Mirant Bowline and Hudson Valley are both subject to lightened regulation by the Commission. Case 99-E-0633, Southern Energy Bowline, LLC, Southern Energy Lovett, LLC, and Southern Energy NY-Gen LLC – Joint Petition for a Declaratory Ruling Regarding Regulation of Electric Corporations, Order Providing for Lightened Electric and Gas Regulation (issued June 24, 1999). Case 01-G-0045, Petition of Hudson Valley Gas Corporation for a Declaratory Ruling (1) that Hudson Valley Gas is Exempt from Regulation as a Gas Corporation Except with Respect to Certain Safety and Environmental Matters; and (2) Notwithstanding the Exemption Sought, Certifying that the Commission has Regulatory Jurisdiction over the Rates, Service and Facilities of Hudson Valley Gas and that it is Exercising Such Jurisdiction, Order Concerning Exemption from Jurisdiction and Transfer of Property (issued May 2, 2001).

[14] N.Y.Envtl. Conserv. §§ 8-0101 - 8-0117.

VII. CORRESPONDENCE AND COMMUNICATIONS

All communications and correspondence with respect to this Joint Petition should be addressed to the following:

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Company of New York, Inc.
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New York, New York 10003
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Fax: 212-677-5850

Algird F. White Jr., Esq.
Couch White, LLP
540 Broadway
P.O. Box 22222
Albany, New York 12201-2222
Tel: (518) 320-4600
Fax: (518) 426-0376

VII. REQUEST FOR RELIEF

The Petitioners respectfully request that the Commission, for the reasons set forth herein, grant the Joint Petition and authorize the transfer of the interests in real property as described above.

Respectfully submitted,

John L. Carley

John L. Carley, Esq.
Assistant General Counsel
Consolidated Edison Company of
New York, Inc.
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New York, New York 10003
Tel: (212) 460-2097
Fax: (212) 677-5850

Counsel for Orange and Rockland Uitlities, Inc. and Consolidated Edison Company of New York, Inc.

Barbara S. Brenner

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Albany, New York 12201-2222
Tel: (518) 426-4600
Fax: (518) 426-0376

Counsel for Mirant Bowline, L.L.C. and Hudson Valley Gas Corporation

VERIFICATION

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

John D. McMahon, being duly sworn, deposes and says that he is the Senior Vice President and General Counsel of Consolidated Edison Company of New York, Inc., one of the Petitioners above named; that he has read the foregoing Joint Petition and knows the contents thereof; and that the same is true to the best of his knowledge, information and belief.

John D. McMahon

Sworn to before me this
25th of October, 2001

JOHN L. CARLEY
Notary Public, State of New York
No. 4906281
Qualified in Rockland County
Commission Expires August 31, 2005

VERIFICATION

STATE OF NEW YORK)
:
COUNTY OF ROCKLAND)

James W. Tarpey, being duly sworn, deposes and says that he is the Vice President of Orange and Rockland Utilities, Inc., one of the Petitioners above named; that he has read the foregoing Joint Petition and knows the contents thereof; and that the same is true to the best of his knowledge, information and belief.

James W. Tarpey

James W. Tarpey

Sworn to before me this
25th of October, 2001

John L. Carley

JOHN L. CARLEY
Notary Public, State of New York
No. 4906281
Qualified in Rockland County
Commission Expires August 31, 2005

VERIFICATION

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

Barbara S. Brenner, being duly sworn, deposes and says that she is the attorney for Mirant Bowline, LLC and Hudson Valley Gas Corporation, the Petitioners above named and I have my office at 540 Broadway, Albany, New York; that I have read the foregoing Joint Petition and know the contents thereof; and that the same is true of my own knowledge except as to matters therein stated to be alleged upon information and belief, and as to those matters, I believe it to be true; this verification is made by me, instead of by the Petitioners, because the Petitioners are not within the County of Albany, which is the county where I have my office. The grounds of my belief as to all matters in the Joint Petition not stated upon my knowledge are as follows: discussions with corporate officers and employees.

Barbara S. Brenner

Barbara S. Brenner

Sworn to before me this
29th of October, 2001

Gloria L. Mack

GLORIA L. MACK
Notary Public, State of New York
No. 01MA5073049
Qualified in Albany County
Commission Expires Feb. 10, 2003

GLORIA L. MACK
Notary ... of New York
...049
Qu... County
Commission Expires Feb. 10,

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EXHIBIT 1

Requirements Under 16 NYCRR Parts 31 and 18

The requirements of a petition pursuant to PSL Section 70 are set forth in Parts 31 and 18 of the Commission's regulations (16 NYCRR Parts 31 and 18). In accordance with the provisions of Parts 31 and 18, Petitioners state as follows:

Section 31.1(a) – Financial Condition.

This section requires that the petition provide the facts called for in subdivisions (f) – (i) and (p) of Section 18.1 applicable to the property to be transferred.[1] The information required by this section for both Orange and Rockland and Con Edison is set forth in Appendix A, attached hereto.

Section 31.1(b) -- General Description of the Facilities to be Transferred.

As described briefly in Section I of this Petition, and in more detail in the Settlement Agreement, the property to be transferred include the Electric Transmission Line Easement, the Natural Gas Pipeline Easement, and the Regulator Station Easement. A complete description of each of these easements to be transferred is set forth in the Settlement Agreement, a copy of which is enclosed with this Joint Petition.

Section 31.1 (c) -- List of Franchises, Consents and Rights to be Transferred.

Neither Orange and Rockland nor Con Edison is transferring or leasing any franchises, consents and/or rights as part of the proposed transaction.

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[1] These subdivisions of Section 18.1 require the Petitioners: (i) to identify the case number and date of any order authorizing any bonds, notes, or other evidences of indebtedness (Section 18.1 (f)); (ii) to give a brief description of each mortgage upon the property to be transferred (Section 18.1(g)); (iii) to provide information for each bond issued (Section 18.1 (h)); (iv) to submit a separate statement for each affiliated interest as defined by the PSL (Section 18.1(i)); and (v) to provide a detailed income statement and balance sheets for the latest fiscal year, and latest available income statement and balance sheets for 12 months (Section 18.1 (p.)).

Section 31.1 (d) -- Local Approvals

Upon information and belief, no consents or approvals of any municipality in connection with the proposed transfer are required.

Section 31.1 (e) -- A copy of the Proposed Agreement to be Approved.

Copies of the proposed easements are enclosed with this Joint Petition.

Section 31.1 (f) and (g) -- Original cost of the Property to be Transferred.

See **Appendix B**.

Section 31.1 (h) -- Accumulated Depreciation Reserve of the Property to be Transferred

See **Appendix B**

Section 31.1 (i) -- Cost of the Property to be Transferred.

See **Appendix B**

Section 31.1 (j) -- Depreciation Reserves of Property to be Transferred.

See **Appendix B**.

Section 31.1 (k) -- Statement of Contributions.

There are no contributions toward construction of any of the facilities to be transferred.

Section 31.1 (1) -- Statement of Operating Revenues, Expenses and Taxes Relating to the Property to be Transferred.

It is not meaningful to allocate operating revenues to the property to be transferred. The balance sheets of Con Edison and Orange and Rockland, respectively, are set forth in Appendix A to this exhibit.

APPENDIX A

APPENDIX A

ORANGE AND ROCKLAND UTILITIES, INC.

Title	Date of issue	Date of Maturity	Authorized and Issued	Outstanding at December 31,2000
Orange & Rockland Utilities,Inc.				
Unsecured Promissory Notes:				
Pollution Control Bonds:				
1994Series, 6.09%	08/31/94	10/01/14	44,000,000.00	44,000,000.00
1995 Series, Variable rate	08/01/95	08/01/15	55,000,000.00	55,000,000.00
Debentures:				
Series D, 6.56%	03/10/93	03/01/03	35,000,000.00	35,000,000.00
Series A, 7.5%	06/16/00	06/15/10	55,000,000.00	55,000,000.00
Series F, 6.5%	03/15/90	12/01/27	80,000,000.00	80,000,000.00
Series G, 7%	03/09/99	03/01/29	45,000,000.00	45,000,000.00
Total Debt Outstanding				$ 314,000,000.00

Commission Authorization of Bonds and Other Long-Term Debt
Outstanding December 31,2000

Case	Date of Commission Order	Description	Series	Percent	Due	Face Value Outstanding
92-M-0862	10/22/1992	Debentures	D	6.56	03/01/03	35,000,000.00
00-M-0282	05/18/2000	Debentures	A	7.5	06/15/10	55,000,000.00
97-M-0822	08/26/1997	Debentures	F	6.5	12/01/27	80,000,000.00
98-M-1477	02/08/1999	Debentures	G	7.0	03/01/29	45,000,000.00
91-M-0437	09/14/1992	Pollution Control Bonds	1994	6.09	10/01/14	55,000,000.00
95M-0437	06/11/1995	Pollution Control Bonds	1995	Variable	08/01/15	44,000,000.00
Total	Face Value Outstanding					$ 314,000,000.00

MORTGAGES

There are no mortgages upon the property to be transferred.

STATEMENT OF AFFILIATED INTERESTS

There are no advances from affiliated interests or other indebtedness to affiliates.

Sch: 601

1. COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS

Line No.	ACCOUNT TITLE (A)	Balance at Beginning of Twelve-Month Period (B) 01	Balance at End of Quarter (C) 02	Increase Or (Decrease) (D) 03
1	**UTILITY PLANT**			
2	Utility Plant (101-107,114,117,118.1-.2,120)	$ 889,095,413.40	$ 925,667,445.83	$ 36,572,032.43
3	Less: Accumulated Provision for Depr. Amort.Depreciation			
4	and Depletion (10/8-113,115,119.1,119.2,120.5)	(300,218,888.33)	(313,301,912.52)	(13,083,024.19)
5	Net Utility Plant	588,876,525.07	612,365,533.31	23,489,008.24
6	**OTHER PROPERTY & INVESTMENT**			
7	Non-Utility Property(121)	210,096.04	207,950.07	(2,145.97)
8	Less: Accm. Prov. for Depr. & Amort. (122)	(180,371.23)	(193,122.54)	(12,751.31)
9	Investment In Associated Companies (123)	-	-	-
10	Investment In Subsidiary Companies (123)	121,472,033.60	133,382,297.01	11,910,263.41
11	Other Investments (124)	2,992.16	2,992.16	-
12	Sinking Funds (125)	-	-	-
13	Depreciatin Fund (126)	-	-	-
14	Other Special Funds (128)	-	-	-
15	Total Property and Investments	121,504,750.57	133,400,116.70	11,895,366.13
16	**CURRENT AND ACCRUED ASSETS**			
17	Cash (131)	72,354.50	1,582,993.61	1,510,639.11
18	Interest Special Deposits (132)	-	-	-
19	Dividend Special Deposits (133)	-	-	-
20	Other Special Deposits (134)	1,000.00	1,000.00	-
21	Working Funds (135)	19,904.04	19,100.00	(804.04)
22	Temporary Cash Investments (136)	189,078.88	237,035.60	47,956.72
23	Notes Receivable (141)	31,446.89	32,586.29	1,139.40
24	Accounts Receivable (142,143)	59,481,899.43	88,270,551.76	28,788,652.33
25	Less: Accu. Prov. for Uncoll. Accts (144)	(5,349,425.03)	(4,096,920.49)	1,252,504.54
26	Notes Receivable from Assoc. Cos. (145)	-	-	-
27	Accounts Receivable From Assoc. Cos.(146)	53,240,758.68	21,155,336.03	(32,085,422.65)
28	Materials & Supplies(150)	4,247,203.85	4,286,619.81	39,415.96
29	Gas Stored Underground Current(164.1)	7,848,326.22	15,886,464.33	8,038,138.11
30	Liquified Natural Gas Storage(164.2)	-	-	-
31	Prepayments(165)	5,799,523.63	7,028,658.07	1,229,134.44
32	Interest and Dividends Receivable(171)	-	-	-
33	Rents Receivable(172)	-	-	-
34	Accrued Utility Revenues(173)	25,230,285.46	17,356,762.35	(7,873,523.11)
35	Misc. Current and Accrued Assets(174)	20,601,168.89	17,655,108.60	(2,946,060.29)
36	Total Current and Accrued Assets	171,413,525.44	169,415,295.96	(1,998,229.48)
37	**DEFERRED DEBITS**			
38	Unamortized Debt Expense (181)	8,836,799.64	8,003,405.53	(833,394.11)
39	Extraordinary Property LossES(182)	-	-	-
40	Preliminary Survey & Investigation Charges(183)	459,573.58	639,193.35	179,619.77
41	Clearing Accounts (184)	(82,457.14)	9,303.95	91,761.09
42	Temporary Facilities (185)	-	-	-
43	Misc. Deferred Debits (186)	128,861,724.06	147,953,657.79	19,091,933.73
44	Def Losses (Disposition of Utility Plant)(187)	-	-	-
45	Investment in Research & Development(188)	(1,841,849.56)	(713,110.26)	1,128,739.30
46	Accumulated Deferred Income Taxes(190)	23,827,380.00	40,399,060.00	16,571,680.00
47	Total Deferred Debits	160,061,170.58	196,291,510.36	36,230,339.78
48	**Total Assets and Other Debits**	$1,041,855,971.66	$1,111,472,456.33	$ 69,616,484.67

* Beginning balance twelve-months prior to the end of the quarter for which the report is made.

Form No. 106-81

Sch: 601

1. COMPARATIVE BALANCE SHEET
LIABILITIES AND OTHER CREDITS

Line No.	ACCOUNT TITLE (A)	Balance at Beginning of Twelve-Month Period (B) 01	Balance at End of Quarter (C) 02	Increase Or (Decrease) (D) 03
1	**PROPRIETARY CAPITAL**			
2	Common Stock Issued(201)	$ 5,000.00	$ 5,000.00	$ -
3	Preferred Stock Issued(204)	-	-	-
4	Capital Stock Subscribed(203,206)	-	-	-
5	Stock Liability Conversion(202,205)	-	-	-
6	Premium on Capital Stock(207)	194,498,786.94	194,498,786.94	-
7	Other Paid-in Capital(208-211)	-	-	-
8	Installments Received on Capital Stock(212)	-	(9,184,435.05)	(9,184,435.05)
9	Capital Stock Expense(214)	-	-	-
10	Appropriated Retained Earnings(215)	-	-	-
11	Unappropriated Retained Earnings(216)	36,604,825.86	31,743,681.48	(4,861,144.38)
12	Unappropriated Undis Subsidiary Earnings(216.1)	98,475,008.50	110,793,865.80	12,318,857.30
13	Reacquired Capital Stock(217)	-	-	-
14	Total Proprietary Capital	329,583,621.30	327,856,899.17	(1,726,722.13)
15	**LONG TERM DEBT**			
16	Bonds(221)	-	-	-
17	Reacquired Bonds(222)	-	-	-
18	Advances from Assoc. Companies(223)	-	-	-
19	Other Long Term Debt(224)	314,009,628.95	314,000,000.00	(9,628.95)
20	Unamortized Premium on Long Term Debt(225)	-	-	-
21	Unamortized Discount on Long Term Debt(226)	(1,585,161.69)	(1,469,461.17)	115,700.52
22	Total Proprietary Capital	312,424,467.26	312,530,538.83	106,071.57
23	**CURRENT AND ACCRUED LIABILITIES**			
24	Notes Payable(231)	48,272,717.40	48,988,000.00	715,282.60
25	Accounts Payable(232)	51,080,502.20	60,005,951.18	8,925,448.98
26	Notes Payable From Assoc. Cos.(233)	-	-	-
27	Accounts Payable From Assoc. Cos.(234)	10,763,661.57	34,017,062.67	23,253,401.10
28	Customer Deposits(235)	3,997,703.74	4,515,178.71	517,474.97
29	Taxes Accrued(236)	(5,268,408.48)	(12,111,819.61)	(6,843,411.13)
30	Interest Accrued(237)	4,917,433.12	5,806,142.04	888,708.92
31	Dividends Declared(238)	-	-	-
32	Matured Long Term Debt(239)	-	-	-
33	Matured Interest(240)	-	-	-
34	Tax Collections Payable(241)	230,409.00	192,375.55	(38,033.45)
35	Misc. Current and Accrued Liabilities(242)	68,464,558.62	59,639,372.30	(8,825,186.32)
36	Total Current and Accrued Liabilities	182,458,577.17	201,052,262.84	18,593,685.67
37	**DEFERRED CREDITS**			
38	Customer Advances for Construction(252)	1,147,233.95	865,825.81	(281,408.14)
39	Other Deferred Credits(253)	30,162,665.75	61,889,675.92	31,727,010.17
40	Accumulated Def Investment Tax Cr.(255)	5,253,403.00	4,919,926.00	(333,477.00)
41	Def Gains (Disposition of Utility Plant)(256)	-	-	-
42	Accumulated Def Income Tax-Aclrtd Amort.(281)	1.00	-	(1.00)
43	Accumulated Def Income Tax-Lbrlzd Depr.(282)	91,922,189.39	94,931,554.21	3,009,364.82
44	Accumulated Def Income Tax-Other (283)	25,308,352.61	25,118,386.97	(189,965.64)
45	Total Deferred Credits	153,793,845.70	187,725,368.91	33,931,523.21
46	**OPERATING RESERVES**			
47	Property Insurance Reserve(261)	-	-	-
48	Injuries and Damages Reserve(262)	7,648,647.35	11,981,238.34	4,332,590.99
49	Pensions and Benefit Reserve(263)	55,946,812.88	70,326,148.24	14,379,335.36
50	Miscellaneous Operating Reserves(265)	-	-	-
51	Total Operating Reserves	63,595,460.23	82,307,386.58	18,711,926.35
52	**Total Liabilities and Other Credits**	$ 1,041,855,971.66	$ 1,111,472,456.33	$ 69,616,484.67

* Beginning balance twelve-months prior to the end of the quarter for which the report is made.

* Other Paid-in Capital includes Other Comprehensive Income.

Quarterly Report of	ORANGE AND ROCKLAND UTILITIES, INC.	Quarterly Ended March 31, 2001
Sch: 604		

STATEMENT OF INCOME

FOR THE TWELVE MONTH PERIOD TO THE END OF THE QUARTER

Total (a) 01	Electric (b) 02	Gas (c) 03	—— (d) 04	Line No.	ACCOUNT TITLE (e)
				1	**UTILITY OPERATING INCOME**
$ 750,262,725.42	$ 534,859,485.35	$ 215,403,240.07	-	2	Operating Revenues (400)
				3	Operating Expenses:
584,523,244.58	410,971,898.91	173,551,345.67	-	4	Operating Expenses (401)
23,425,554.45	17,166,162.89	6,259,391.56	-	5	Maintenance Expenses (402)
-	-	-	-	6	Joint Expenses (402.1)
18,813,349.63	14,158,990.41	4,654,359.22	-	7	Depreciation Expense (403)
411,695.22	294,656.52	117,038.70	-	8	Amort. & Depl. of Utility Plant (404)
4,457,109.01	3,080,381.10	1,376,727.91	-	9	Amort. & Depl. of Other Plant (405)
-	-	-	-	10	Amort. Utility Plant Acq. Adj. (406)
-	-	-	-	11	Amort. of Property Loss (407, 407.1)
-	-	-	-	12	Amort. of Conversion Expenses (407.2)
49,306,240.62	35,168,205.66	14,138,034.96	-	13	Taxes Other Than Income Taxes (408.1)
17,508,525.13	14,423,745.24	3,084,779.89	-	14	Income Taxes (409.1,410.1,411.1,411.4,411.8)
-	-	-	-	15	Gains from Disposition of Utility Plant (411.6)
-	-	-	-	16	Losses from Disposition of Utility Plant (411.7)
698,445,718.64	495,264,040.73	203,181,677.91	-	17	Total Operation Expense
51,817,006.78	39,595,444.62	12,221,562.16	-	18	Net Operating Expenses
-	-	-	-	19	Revenues from Utility Plant Leased to Others (412)
-	-	-	-	20	Expenses of Utility Plant Leased to Others (413)
-	-	-	-	21	Other Utility Operating Income (414)
51,817,006.78	39,595,444.62	12,221,562.16	-	22	Total Utility Operating Income
				23	**OTHER INCOME**
				24	Income from Merchandising, Jobbing
(250.00)	(167.10)	(82.90)	-	25	and Contract Work (415-6)
-	-	-	-	26	Income from Nonutility Operations (417,417.1)
(8,405.39)	(5,571.00)	(2,834.39)	-	27	Nonoperating Rental Income (418)
11,933,581.18	10,866,531.85	1,067,049.33	-	28	Equity in Earnings of Subsidiary Companies (418.1)
(340,705.85)	(589,561.75)	248,855.90	-	29	Interest and Dividends Income (419)
76,091.28	63,828.62	12,262.66	-	30	Allowance for Funds Used During Construction (419.1)
(154,267.78)	(153,852.34)	(415.44)	-	31	Miscellaneous Income Deductions (421)
1,248,008.91	887,253.32	360,755.59	-	32	Gain on Disposition of Property (421.1)
12,754,052.35	11,068,461.60	1,685,590.75	-	33	Total Other Income
				34	**OTHER INCOME DEDUCTIONS**
-	-	-	-	35	Losses from Disposition of Utility Plant (421.1)
-	-	-	-	36	Miscellaneous Amortizations (425)
(577,264.20)	(373,527.44)	(203,736.76)	-	37	Miscellaneous Income Deductions (426)
(577,264.20)	(373,527.44)	(203,736.76)	-	38	Total Other Income Deductions
				39	**TAXES-OTHER INCOME AND DEDUCTIONS**
(109,398.31)	(109,398.31)	-	-	40	Taxes Other Than Income Taxes (408.2)
457,059.46	440,703.00	16,356.46	-	41	Income Taxes (409.2,410.2,411.2,411.5,420)
347,661.15	331,304.69	16,356.46	-	42	Total Taxes-Other Income and Deductions
12,524,449.30	11,026,238.85	1,498,210.45	-	43	Net Other Income and Deductions
				44	**INTEREST CHARGES**
19,644,835.05	12,614,863.20	7,029,971.85	-	45	Interest on Long Term Debt (427)
780,700.28	503,539.99	277,160.29	-	46	Amort. of Debt Disc.and Expense (428)
-	-	-	-	47	Amort. of Premium on Debt-Credit (429)
1,301,544.65	850,886.76	450,657.89	-	48	Interest of Debt to Associated Companies (430)
2,661,823.16	1,358,438.11	1,303,385.05	-	49	Other Interest Expense (431)
24,388,903.14	15,327,728.06	9,061,175.08	-	50	Total Interest Charges
39,952,552.94	35,293,955.41	4,658,597.53	-	51	Income Before Extraordinary Items
				52	**EXTRAORDINARY ITEMS**
-	-	-	-	53	Extraordinary Income (434)
-	-	-	-	54	Extraordinary Deductions (435)
-	-	-	-	55	Income Taxes, Extraordinary Income (409.3)
-	-	-	-	56	Total Extraordinary Items
39,952,552.94	35,293,955.41	4,658,597.53	-	57	**Net Income**

Quarterly Report of ORANGE AND ROCKLAND UTILITIES, INC. Quarterly Ended **March 31, 2001**

Sch: 604

STATEMENT OF INCOME (Continued)

Line No.	FOR THE CURRENT QUARTER Total (f) 05	Electric (g) 06	Gas (h) 07	—— (i) 08
1				
2	$ 390,088,534.07	$ 249,678,312.27	$ 140,410,221.80	-
3				
4	302,824,283.56	192,420,095.65	110,404,187.91	-
5	11,013,383.61	7,759,362.85	3,254,020.76	-
6	-	-	-	-
7	11,177,458.01	7,823,795.82	3,353,662.19	-
8	220,719.36	159,837.90	60,881.46	-
9	2,378,783.03	1,671,219.84	707,563.19	-
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	24,249,258.36	15,922,191.50	8,327,066.86	-
14	12,352,289.95	7,488,225.15	4,864,064.80	-
15	-	-	-	-
16	-	-	-	-
17	364,216,175.88	233,244,728.71	130,971,447.17	-
18	25,872,358.19	16,433,583.56	9,438,774.63	-
19	-	-	-	-
20	-	-	-	-
21	-	-	-	-
22	25,872,358.19	16,433,583.56	9,438,774.63	-
23				
24				
25	(250.00)	(167.10)	(82.90)	-
26	-	-	-	-
27	(6,310.04)	(4,978.68)	(1,331.36)	-
28	2,733,576.96	2,632,468.16	101,108.80	-
29	591,988.54	92,606.00	499,382.54	-
30	-	0	0	-
31	(82,561.03)	(82,353.31)	(207.72)	-
32	-	-	-	-
33	3,236,444.43	2,637,575.07	598,869.36	-
34				
35	-	0	0	-
36	-	0	0	-
37	(293,861.83)	(196,123.75)	(97,738.08)	-
38	(293,861.83)	(196,123.75)	(97,738.08)	-
39				
40	(56,679.46)	(56,679.46)	0	-
41	121,899.46	197,971.00	(76,071.54)	-
42	65,220.00	141,291.54	(76,071.54)	-
43	3,007,802.60	2,582,742.86	425,059.74	-
44				
45	9,711,517.93	6,253,246.39	3,458,271.54	-
46	390,891.80	251,714.74	139,177.06	-
47	-	0	0	-
48	537,207.52	345,956.85	191,250.67	-
49	1,313,259.66	685,236.70	628,022.96	-
50	11,952,876.91	7,536,154.68	4,416,722.23	-
51	16,927,283.88	11,480,171.74	5,447,112.14	-
52				
53	-	-	-	-
54	-	-	-	-
55	-	-	-	-
56	-	-	-	-
57	16,927,283.88	11,480,171.74	5,447,112.14	-

Notes to Statement of Income:

1. In column (b) through (d) show the Departmental Distribution of all amounts reported on lines 2 through 57 in column (a).
2. In column (g) through (i) show the Departmental Distribution of all amounts reported on lines 2 through 57 in column (f).

APPENDIX A

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.
LONG TERM DEBT
As of June 30, 2001

				Date of Maturity	Amount of Original Issue	Redemptions	Amount Outstanding	
NYSERDA TAX-EXEMPT DEBT								
35 Yr.	7.5000%	Series	1991A Note	Jan-01-2026	128,150,000	-	128,150,000	(1)
35 Yr.	6.7500%	Series	1992A Note	Jan-15-2027	100,000,000	-	100,000,000	(1)
35 Yr.	6.3750%	Series	1992B Note	Dec-01-2027	100,000,000	-	100,000,000	
35 Yr.	6.0000%	Series	1993A Note	Mar-15-2028	101,000,000	-	101,000,000	
27 Yr.	5.2500%	Series	1993B Note	Aug-15-2020	127,715,000	-	127,715,000	
29 Yr.	5.3750%	Series	1993C Note	Sep-15-2022	19,760,000	-	19,760,000	
35 Yr.	7.1250%	Series	1994A Note	Dec-01-2029	100,000,000	-	100,000,000	
25 Yr.	6.1000%	Series	1995A Note	Aug-15-2020	128,285,000	-	128,285,000	
35 Yr.	Variable (A)	Series	1999A Note	May-01-2034	292,700,000	-	292,700,000	
35 Yr.	Variable (A)	Series	2001A Note	Jun-01-2036	224,600,000	-	224,600,000	
TOTAL - NYSERDA TAX-EXEMPT DEBT					1,322,210,000	-	1,322,210,000	
DEBENTURES								
12 Yr.	7.6250%	Series	1992B	Mar-01-2004	150,000,000	-	150,000,000	
8 Yr.	6.5000%	Series	1993B	Feb-01-2001	150,000,000	150,000,000	0	
9 Yr.	6.6250%	Series	1993C	Feb-01-2002	150,000,000	-	150,000,000	(1)
10 Yr.	6.3750%	Series	1993D	Apr-01-2003	150,000,000	-	150,000,000	
30 Yr.	7.5000%	Series	1993G	Jun-15-2023	380,000,000	-	380,000,000	
35 Yr.	7.1250%	Series	1994A	Feb-15-2029	150,000,000	-	150,000,000	
10 Yr.	6.6250%	Series	1995A	Jul-01-2005	100,000,000	-	100,000,000	
30 Yr.	7.7500%	Series	1996A	Jun-01-2026	100,000,000	-	100,000,000	
5 Yr.	Variable (B)	Series	1996B	Dec-15-2001	150,000,000	-	150,000,000	(1)
5 Yr.	Variable (C)	Series	1997A	Jun-15-2002	150,000,000	-	150,000,000	(1)
10 Yr.	6.4500%	Series	1997B	Dec-01-2007	330,000,000	-	330,000,000	
10 Yr.	6.2500%	Series	1998A	Feb-01-2008	180,000,000	-	180,000,000	
30 Yr.	7.1000%	Series	1998B	Feb-01-2028	105,000,000	-	105,000,000	
10 Yr.	6.1500%	Series	1998C	Jul-01-2008	100,000,000	-	100,000,000	
30 Yr.	6.9000%	Series	1998D	Oct-01-2028	75,000,000	-	75,000,000	
40 Yr.	7.3500%	PINES	1999A	Jul-01-2039	275,000,000	-	275,000,000	
10 Yr.	7.1500%	Series	1999B	Dec-01-2009	200,000,000	-	200,000,000	
10 Yr.	8.1250%	Series	2000A	May-01-2010	325,000,000	-	325,000,000	
5 Yr.	6.6250%	Series	2000C	Dec-15-2005	350,000,000	-	350,000,000	
40 Yr.	7.5000%	Series	2001A	Jul-01-2041	400,000,000	-	400,000,000	
10 Yr.	7.5000%	Series	2000B	Sep-01-2010	300,000,000	-	300,000,000	
TOTAL - DEBENTURES					4,270,000,000	150,000,000	4,120,000,000	
SUBORDINATED DEBENTURES								
35 Yr.	7.7500%	Series	1996A	Mar-31-2031	275,000,000	-	275,000,000	
TOTAL - LONG TERM DEBT							5,717,210,000	
(1) Due Within One Year							678,150,000	
Total Long Term Debt excluding due within one year							5,039,060,000	

(A) Interest rate reset weekly
(B) 3.99000% for period June 15, 2001 - Sept 14, 2001.
(C) 3.95000% for period June 15, 2001 - Sept 14, 2001.

MORTGAGES

There are no mortgages upon the property to be transferred.

STATEMENT OF AFFILIATED INTERESTS

There are no advances from affiliated interests or other indebtedness to affiliates.

Consolidated Edison Company of New York, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	June 30, 2001	December 31, 2000
	(Thousands of Dollars)	
ASSETS		
UTILITY PLANT, AT ORIGINAL COST		
Electric	$11,216,706	$11,135,764
Gas	2,064,496	2,020,395
Steam	751,035	740,189
General	1,311,496	1,282,254
Total	15,343,733	15,178,602
Less: Accumulated depreciation	4,834,185	4,819,626
Net	10,509,548	10,358,976
Construction work in progress	493,919	476,379
Nuclear fuel assemblies and components, less accumulated amortization	96,890	107,641
NET UTILITY PLANT	11,100,357	10,942,996
NON-UTILITY PLANT		
Non-utility property	9,293	4,087
NET PLANT	11,109,650	10,947,083
CURRENT ASSETS		
Cash and temporary cash investments	37,850	70,273
Funds held for refunding of NYSERDA Notes	224,600	-
Accounts receivable - customer, less allowance for uncollectible accounts of $23,774 and $25,800	612,544	743,883
Other receivables	139,222	155,656
Fuel, at average cost	21,858	28,455
Gas in storage, at average cost	64,926	64,144
Materials and supplies, at average cost	112,160	118,344
Prepayments	591,733	497,884
Other current assets	54,170	50,977
TOTAL CURRENT ASSETS	1,859,063	1,729,616
INVESTMENTS		
Nuclear decommissioning trust funds	344,134	328,969
Other	15,097	15,068
TOTAL INVESTMENTS	359,231	344,037
DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS		
Regulatory assets		
Future federal income tax	636,670	642,868
Recoverable energy costs	192,546	274,288
Real estate sale costs - First Avenue properties	103,928	103,009
Divestiture - capacity replacement reconciliation	73,850	73,850
Workers' compensation reserve	58,944	47,097
Deferred special retirement program costs	44,468	46,743
Accrued unbilled gas revenue	43,594	43,594
Deferred revenue taxes	37,012	36,542
Other	170,554	100,843
TOTAL REGULATORY ASSETS	1,361,566	1,368,834
Other deferred charges and noncurrent assets	154,917	158,371
TOTAL DEFERRED CHARGES, REGULATORY ASSETS AND NONCURRENT ASSETS	1,516,483	1,527,205
TOTAL	$14,844,427	$14,547,941

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.

CONSOLIDATED BALANCE SHEET

(Unaudited)

	As at June 30, 2001	As at December 31, 2000
	(Thousands of Dollars)	
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock	$ 1,482,341	$ 1,482,341
Repurchased Consolidated Edison, Inc. common stock	(962,092)	(962,092)
Retained earnings	4,037,268	3,995,825
Capital stock expense	(35,682)	(35,817)
Accumulated other comprehensive income	(4,888)	(673)
TOTAL COMMON SHAREHOLDER'S EQUITY	4,516,947	4,479,584
Preferred stock		
Subject to mandatory redemption		
6⅛% Series J	37,050	37,050
TOTAL SUBJECT TO MANDATORY REDEMPTION	37,050	37,050
Other preferred stock		
$5 Cumulative Preferred	175,000	175,000
4.65% Series C	15,330	15,330
4.65% Series D	22,233	22,233
TOTAL OTHER PREFERRED STOCK	212,563	212,563
TOTAL PREFERRED STOCK	249,613	249,613
Long-term debt	5,012,661	4,915,108
TOTAL CAPITALIZATION	9,779,221	9,644,305
NONCURRENT LIABILITIES		
Obligations under capital leases	29,903	31,432
Accumulated provision for injuries and damages	155,983	148,047
Pension and benefits reserve	125,134	105,124
Other noncurrent liabilities	14,822	14,822
TOTAL NONCURRENT LIABILITIES	325,842	299,425
CURRENT LIABILITIES		
Long-term debt due within one year	678,150	300,000
Notes payable	103,197	139,969
Accounts payable	679,286	879,602
Customer deposits	199,617	195,762
Accrued taxes	30,951	49,509
Accrued interest	75,371	78,230
Accrued wages	83,307	70,951
Other current liabilities	255,337	237,634
TOTAL CURRENT LIABILITIES	2,105,216	1,951,657
DEFERRED CREDITS AND REGULATORY LIABILITIES		
Accumulated deferred federal income tax	2,087,799	2,134,973
Accumulated deferred investment tax credits	118,924	124,532
Regulatory liabilities		
Gain on divestiture	75,705	50,000
Deposit from sale of First Avenue properties	50,000	50,000
Accrued electric rate reduction	38,018	38,018
NY state tax law revisions	30,121	59,523
NYPA revenue increase	27,507	35,021
Other	206,074	160,487
TOTAL REGULATORY LIABILITIES	427,425	393,049
TOTAL DEFERRED CREDITS AND REGULATORY LIABILITIES	2,634,148	2,652,554
TOTAL	$14,844,427	$14,547,941

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.

CONSOLIDATED INCOME STATEMENT

For the Three Months Ended June 30, 2001 and 2000
(Unaudited)

	2001	2000
	(Thousands of Dollars)	
OPERATING REVENUES		
Electric	$ 1,396,411	$ 1,429,502
Gas	269,327	217,380
Steam	89,666	74,600
TOTAL OPERATING REVENUES	1,755,404	1,721,482
OPERATING EXPENSES		
Purchased power	593,956	639,181
Fuel	46,020	42,731
Gas purchased for resale	133,476	90,628
Other operations	228,890	239,195
Maintenance	109,960	121,556
Depreciation and amortization	121,526	132,959
Taxes, other than income tax	238,736	257,116
Income tax	83,692	32,160
TOTAL OPERATING EXPENSES	1,556,256	1,555,526
OPERATING INCOME	199,148	165,956
OTHER INCOME (DEDUCTIONS)		
Investment income	118	817
Allowance for equity funds used during construction	258	400
Other income less miscellaneous deductions	1,796	(2,315)
Income tax	(514)	1,206
TOTAL OTHER INCOME (DEDUCTIONS)	1,658	108
INCOME BEFORE INTEREST CHARGES	200,806	166,064
Interest on long-term debt	88,817	81,148
Other interest	7,085	11,292
Allowance for borrowed funds used during construction	(1,388)	(905)
NET INTEREST CHARGES	94,514	91,535
NET INCOME	106,292	74,529
PREFERRED STOCK DIVIDEND REQUIREMENTS	3,398	3,398
NET INCOME FOR COMMON STOCK	$ 102,894	$ 71,131
CON EDISON OF NEW YORK SALES		
Electric (thousands of kilowatthours)		
Con Edison of New York customers	7,319,177	7,402,219
Delivery service for Retail Choice	2,401,091	2,120,980
Delivery service to NYPA and others	2,432,752	2,336,904
Total sales in service territory	12,153,020	11,860,103
Gas (dekatherms)		
Firm sales and transportation	19,982,893	18,949,573
Off-peak firm/interruptible	2,802,914	3,500,595
Total sales to Con Edison of New York customers	22,785,807	22,450,168
Transportation of customer-owned gas		
NYPA	1,546,204	5,756,826
Other	18,866,764	24,811,439
Total sales and transportation	43,198,775	53,018,433
Steam (thousands of pounds)	4,707,156	4,666,444

The accompanying notes are an integral part of these financial statements.

Consolidated Edison Company of New York, Inc.

CONSOLIDATED INCOME STATEMENT

For the Six Months Ended June 30, 2001 and 2000
(Unaudited)

	2001	2000
	(Thousands of Dollars)	
OPERATING REVENUES		
Electric	$ 2,979,610	$ 2,852,663
Gas	866,768	611,022
Steam	347,918	244,858
TOTAL OPERATING REVENUES	4,194,296	3,708,543
OPERATING EXPENSES		
Purchased power	1,375,943	1,257,424
Fuel	216,335	127,929
Gas purchased for resale	498,504	250,180
Other operations	444,187	496,294
Maintenance	231,174	222,241
Depreciation and amortization	241,527	264,498
Taxes, other than income tax	526,931	527,419
Income tax	192,927	128,117
TOTAL OPERATING EXPENSES	3,727,528	3,274,102
OPERATING INCOME	466,768	434,441
OTHER INCOME (DEDUCTIONS)		
Investment income	274	1,550
Allowance for equity funds used during construction	501	(226)
Other income less miscellaneous deductions	624	(2,298)
Income tax	4,121	816
TOTAL OTHER INCOME (DEDUCTIONS)	5,520	(158)
INCOME BEFORE INTEREST CHARGES	472,288	434,283
Interest on long-term debt	178,494	157,898
Other interest	14,979	22,762
Allowance for borrowed funds used during construction	(2,695)	(2,585)
NET INTEREST CHARGES	190,778	178,075
NET INCOME	281,510	256,208
PREFERRED STOCK DIVIDEND REQUIREMENTS	6,796	6,796
NET INCOME FOR COMMON STOCK	$ 274,714	$ 249,412
CON EDISON OF NEW YORK SALES		
Electric (thousands of kilowatthours)		
Con Edison of New York customers	15,067,166	15;018,669
Delivery service for Retail Choice	4,840,653	4,375,829
Delivery service to NYPA and others	4,990,103	4,811,793
Total sales in service territory	24,897,922	24,206,291
Gas (dekatherms)		
Firm sales and transportation	65,439,756	60,647,576
Off-peak firm/interruptible	8,629,977	8,355,644
Total sales to Con Edison of New York customers	74,069,733	69,003,220
Transportation of customer-owned gas		
NYPA	1,576,173	8,981,343
Other	25,476,770	45,133,010
Total sales and transportation	101,122,676	123,117,573
Steam (thousands of pounds)	15,189,852	14,892,054

The accompanying notes are an integral part of these financial statements.

APPENDIX B

Consolidated Edison Company of New York, Inc.
Original Cost, Estimated Accrued Depreciation and Construction Work in Progress at July 31, 2001
for the Company's Share of Overhead Transmission Facilities
(000)

Account No. PSC	Account No. Co.		Book Cost		Estimated Accrued Depreciation		Net		Construction Work in Progress	
		Feeders 67 & 68 - West Haverstraw to Ladentown								
		Electric Transmission Facilities - Overhead								
350	9530	Land and Land Rights	$	476	$	0	$	476	$	0
		Total	$	476	$	0	$	476	$	0

Account	Year	Age	Depr Ratio	Annual Rate	Book Cost @ April 30, 2001	Theoretical Reserve @ December 31, 2000	Factor	Theoretical Factored To Books	Jan - Apr 2001 Accruals	Estimated Accr. Depreciation @ April 30, 2001
9530	N/A				683,750.86					
9536	1972	28.5	0.6168	3.50%	2,480,333.57	1,529,869.75	1.3741379460	2,102,252.08	28,937.24	2,131,189.32
9536	1973	27.5	0.6013	3.50%	148,305.93	89,176.36	1.3741379460	122,540.62	1,730.24	124,270.86
9536	1975	25.5	0.5684	3.50%	140,971.89	80,128.42	1.3741379460	110,107.50	1,644.68	111,752.18
									-	-
					2,769,611.39	1,699,174.53		2,334,900.20	32,312.16	2,367,212.36
9540	1972	28.5	0.5801	3.86%	1,034,639.18	600,194.19	1.3840275024	830,685.27	13,312.36	843,997.63
9540	1974	26.5	0.5530	3.86%	33,743.68	18,660.26	1.3840275024	25,826.31	434.16	26,260.47
9540	1975	25.5	0.5387	3.86%	118,514.85	63,843.95	1.3840275024	88,361.78	1,524.88	89,886.66
9540	1978	22.5	0.4926	3.86%	6,542.42	3,222.80	1.3840275024	4,460.44	84.16	4,544.60
					1,193,440.13	685,921.20		949,333.80	15,355.56	964,689.36
Grand Total					4,646,802.38	2,385,095.73		3,284,234.00	47,667.72	3,331,901.72

Orange & Rockland Utilities, Inc.
Original Cost, Estimated Accrued Depreciation and Construction Work in Progress at August 31, 2001
for the Exchange of Property Between O&R and Mirant

Account No. PSC	Account No. Co.		Book Cost	Estimated Accrued Depreciation	Net	Construction Work in Progress
		Easement Granted to Mirant				
		Electric Transmission Facilities - Overhead				
350	350	Land and Land Rights	$0.00	$0.00	$0.00	$0.00
		Total	$0.00	$0.00	$0.00	$0.00
		Easement Obtained from Mirant				
		Gas Distribution Facilities				
374	374	Land and Land Rights	$0.00	$0.00	$0.00	$0.00
		Total	$0.00	$0.00	$0.00	$0.00

2

2

EXHIBIT 2

SETTLEMENT AGREEMENT

This **SETTLEMENT AGREEMENT** ("Agreement"), dated as of August 15, 2001, by and among ORANGE AND ROCKLAND UTILITIES, INC. ("Orange and Rockland"), a New York corporation with a principal place of business located at One Blue Hill Plaza, Pearl River, New York 10965, MIRANT BOWLINE, L.L.C. ("Mirant Bowline"), MIRANT LOVETT, L.L.C. ("Mirant Lovett"), and MIRANT N.Y. GEN, L.L.C. ("Mirant NY-Gen") (Mirant Bowline, Mirant Lovett, and Mirant NY-Gen, collectively, "Mirant"), each of which is a Delaware limited liability company with a principal place of business located at 400 Rella Boulevard, Suite 157, Suffern, New York 10901, and HUDSON VALLEY GAS CORPORATION ("Hudson Valley"), a New York corporation with a principal place of business located at 400 Rella Boulevard, Suite 157, Suffern, New York 10901. Orange and Rockland, Mirant, and Hudson Valley are each sometimes referred to individually as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, Mirant Bowline's predecessor, Southern Energy Bowline, L.L.C., purchased the Bowline Point Generating Station (the "Bowline Station") from Orange and Rockland and Consolidated Edison Company of New York, Inc. ("CECONY") on July 1, 1999, Mirant Lovett's predecessor, Southern Energy Lovett, L.L.C., purchased the Lovett Generating Station (the "Lovett Station") from Orange and Rockland on July 1, 1999, and Mirant NY-Gen's predecessor, Southern Energy NY-Gen, L.L.C., purchased the Hillburn Gas Turbine Generating Station, the Shoemaker Gas Turbine Generating Station, the Mongaup Hydroelectric Station, the Swinging Bridge Hydroelectric Station, and the Rio Hydroelectric Station (collectively the "Gas Turbines and Hydroelectric Stations") from Orange and Rockland on July 1, 1999, (the Bowline Station, the Lovett Station, and the Gas

Turbines and Hydroelectric Stations, collectively, the "Generating Facilities");

WHEREAS, Mirant Bowline proposes to construct and operate an approximately 6.8 mile-long, 345 kilovolt ("kV") underground electric transmission line (the "Electric Transmission Line") in the Towns of Haverstraw and Ramapo and the Villages of West Haverstraw and Pomona, Rockland County, New York (more comprehensively described in Case 00-T-0409 currently pending before the New York State Public Service Commission (the "NYPSC")), which line is needed to connect a new approximately 750 megawatt gas-fired, combined cycle electric generation facility at the Bowline Station with the Ladentown Substation in the Town of Ramapo, Rockland County, New York;

WHEREAS, Hudson Valley proposes to construct and operate a 4.2 mile, 24-inch outside diameter intrastate natural gas pipeline (the "Natural Gas Pipeline") in the Towns of Haverstraw, Clarkstown and the Village of West Haverstraw, Rockland County, New York which pipeline is more comprehensively described in Case 99-T-1814 before the NYPSC;

WHEREAS, Mirant Bowline desires that Orange and Rockland grant Mirant Bowline certain easements and assign certain rights to Mirant Bowline under Orange and Rockland's existing rights-of-way to facilitate construction by Mirant Bowline of the Electric Transmission Line;

WHEREAS, Hudson Valley desires that Orange and Rockland grant Hudson Valley certain easements and assign to Hudson Valley certain rights under Orange and Rockland's existing rights-of-way to facilitate construction by Hudson Valley of the Natural Gas Pipeline;

WHEREAS, Orange and Rockland desires that Mirant Bowline and Hudson Valley grant Orange and Rockland certain easements at the Bowline Station for a gas regulator station ("Regulator Station") and for the connection of the Regulator Station to both the Natural Gas Pipeline and Orange and Rockland's gas distribution system;

WHEREAS, Orange and Rockland is required by Section 70 of the New York Public Service Law to file one or more petitions (each such petition, a "Section 70 Petition") with the NYPSC and receive an order from the NYPSC approving such petition(s) in order to grant to Mirant Bowline the rights and easements for the Electric Transmission Line and to grant to Hudson Valley the rights and easements for the Natural Gas Pipeline (the "Orange and Rockland Section 70 Petition");

WHEREAS, Mirant Bowline is required by Section 70 of the New York State Public Service Law to file a Section 70 Petition with the NYPSC and receive an order from the NYPSC approving the transfer of certain property rights related to the new 400 MVA transformer associated with the Electric Transmission Line and the Regulator Station and connecting facilities (the "Mirant Section 70 Petition");

WHEREAS, the Generating Facilities have taken and continue to take "Station Service" (as defined below) from Orange and Rockland, and Mirant and Orange and Rockland dispute the applicability of Orange and Rockland's SC 22 rate for such Station Service, and therefore Mirant and Orange and Rockland desire to settle such dispute as part of this Agreement ; and

WHEREAS, Orange and Rockland, Mirant, and Hudson Valley desire to settle various other commercial issues among them, including the use by Orange and Rockland of Mirant's electric transmission lines and related substation facilities, the construction of and access to a tap on Hudson Valley's Natural Gas Pipeline for use by Orange and Rockland, and the provision by Mirant of a site for the Regulator Station.

NOW, THEREFORE, in consideration of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

1. Netting of Station Service Supply. Upon the later of: (a) the effective date of this Agreement, and (b) the date that the metering equipment mutually agreed by the Parties to be

required to perform the netting of Station Service on a hourly basis is installed and operational, Mirant shall be allowed to net, on a hourly basis, the Station Service supply requirements of the Generating Facilities from their wholesale generation output during those periods when any Generating Facilities are operating; provided that Mirant shall perform a reconciliation of such netting on a monthly basis, subject to the review of Orange and Rockland, prior to invoicing pursuant to Section 12. As set forth in Section 2, if the Generating Facilities are not operating at a level sufficient to allow such netting, and Orange and Rockland is required to purchase supply for Mirant's Station Service needs, Mirant shall pay Orange and Rockland the then-currently approved Market Supply Charge ("MSC") on file with the NYPSC. The Parties acknowledge that this provision complements the provisions regarding netting contained in the Continuing Site/Interconnection Agreements, dated November 24, 1998, as amended, between Orange and Rockland and Southern Energy Bowline, L.L.C., Southern Energy Lovett, L.L.C., and Southern Energy NY-Gen., L.L.C. Except as otherwise provided herein, Orange and Rockland shall not charge Mirant for any additional delivery services in respect of Station Service for the Generating Facilities beyond the compensation identified in Section 2.

2. Payment for Station Service Supply.

(a) For the period from November 18, 1999 through the date of this Agreement, Mirant shall pay Orange and Rockland a sum calculated in accordance with the provisions of Orange and Rockland's SC 22 rate approved by the NYPSC (including all applicable taxes and late payment charges) for the "Station Service" provided by Orange and Rockland to the Generating Facilities (such payment, the "Historical Station Service Payment"). Such payment shall be made in accordance with Section 12. For purposes of this Agreement, the term "Station Service" shall mean the power fed through the Orange and Rockland/CECONY transmission system that is required to start-up the turbines located at the Generating Facilities and/or required for the auxiliary loads and operation and maintenance of the Generating Facilities. The estimated Historical Station Service Payment for usage through July 14, 2001, is $9,554,643.06.

(b) For the period from the date of this Agreement until the installation of the "Transformer Bank" (as such term is defined in Section 3(a)) (for purposes of this Agreement "installation" having been achieved upon the Transformer Bank being fully functional, energized and carrying load between the 345 kV system and the 138 kV system for ten continuous days), Mirant shall pay Orange and Rockland the MSC for any Station Service supply provided by Orange and Rockland to the Generating Facilities. The MSC shall be calculated in accordance with the provisions of Orange and Rockland's NYPSC-approved electric service tariff. To compensate Orange and Rockland for the delivery component of Orange and Rockland's SC 22 rate for Station Service during this period, Mirant shall pay seven hundred thousand dollars ($700,000) to Orange and Rockland within 30 days of the date of this Agreement. In addition, the Parties shall calculate the price differential between a 400 MVA Transformer Bank and a 100 MVA Transformer Bank in accordance with Section 3(f) (the "Price Differential"). Upon determination of the Price Differential, additional payments shall be made within 30 days of such determination, as follows: (i) if the Price Differential is greater than one million eight hundred thousand dollars ($1,800,000) (the "Estimated Differential"), Orange and Rockland shall pay Mirant the amount by which the Price Differential exceeds the Estimated Differential. If the actual Price Differential is less than the Estimated Differential, Mirant shall pay Orange and Rockland the difference between the Price Differential and the Estimated Differential.

(c) Upon the installation of the Transformer Bank as described in Section 3, Mirant shall pay Orange and Rockland the MSC for any Station Service supply provided by Orange and Rockland to the Generating Facilities. Mirant shall not be required to compensate Orange and Rockland for the delivery component of the SC 22 rate in consideration of Mirant's allowing Orange and Rockland to use Mirant transmission and substation facilities as described in Section 4.

3. Autobank Transformer.

(a) In accordance with the provisions of this Agreement, Mirant Bowline shall design and install, at its sole expense, a 400 MVA 345/138 kV autobank transformer with a delta-connected tertiary winding ("Transformer Bank") at the Bowline Station on property owned by Mirant Bowline so as to provide an interconnection to Orange and Rockland's 138 kV system. Mirant Bowline will undertake commercially reasonable efforts to ensure that the location, design, and materials selected by Mirant Bowline for use in the Transformer Bank shall be acceptable to Orange and Rockland. Orange and Rockland acknowledges that time is of the essence and that review of the location, design and materials by Orange and Rockland shall be completed within fifteen (15) days of submission of the same by Mirant to Orange and Rockland. An extension of an additional fifteen (15) day period shall be available to Orange and Rockland upon good cause shown. Failure to complete the review within the aforesaid time limits shall be deemed acceptance of such location, design and materials by Orange and Rockland. Subsequent to completion and upon receipt of regulatory approval, Mirant Bowline shall convey to Orange and Rockland a seventy-five percent (75%) undivided interest in the Transformer Bank (and associated contract rights related thereto) for one dollar ($1.00). Mirant Bowline shall own the remaining twenty-five percent (25%) undivided interest in the Transformer Bank (and associated contract rights related thereto).

(b) Mirant Bowline hereby grants to Orange and Rockland, at no additional cost, an irrevocable, perpetual license to maintain and operate the Transformer Bank in accordance with "Good Utility Practices," which license shall commence upon completion of the installation of the Transformer Bank. For purposes of this Agreement, "Good Utility Practices" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry with respect to similar facilities during the relevant time period which in each case, in the exercise of reasonable judgment in light of the facts known or that should have been 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, law, regulation, environmental protection, and expedition. Good Utility Practices are not intended to be limited to the optimum practices, methods or acts to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in such industry.

(c) The expenses (including but not limited to all applicable taxes) for the operation and maintenance, repair and/or replacement of the Transformer Bank shall be shared by Orange and Rockland and Mirant Bowline consistent with their respective seventy-five percent (75%) and twenty-five percent (25%) ownership interests therein. Any such maintenance, repair or replacement shall be performed by Orange and Rockland in accordance with Good Utility Practices and, to the extent practicable, shall not interfere with the operation of the Bowline Station (including the proposed Bowline Station Unit No. 3).

(d) Mirant shall use commercially responsible efforts to complete the installation of the Transformer Bank no later than June 1, 2003. In the event that Mirant Bowline fails to have the Transformer Bank installed and operational by June 30, 2003, Mirant Lovett shall continue to perform its obligations under the Eastern Load Pocket Call Option Agreement (the "Option Agreement") between Orange and Rockland and Southern Energy Lovett, L.L.C. (the predecessor of Mirant Lovett) dated November 24, 1998, for an annual availability payment of $1.00, until such time as the Transformer Bank is installed and operational. Those call options would continue on an annual basis beyond the end date of the November 24, 1998 agreement under the same terms. In the event that Orange and Rockland exercises its option to extend the term of the Option Agreement for the Contract Year (as defined in the Option Agreement) commencing July 1, 2003 and thereafter Mirant Bowline brings the Transformer Bank into service, Orange and Rockland shall be permitted to rescind such extension notice and terminate the Option Agreement effective at the close of the month in which the Transformer Bank is brought into service (the "Month of Recission"). Orange and Rockland shall have no obligation to make any availability payment pursuant to the Option Agreement for any month following the Month of Recission.

(e) The Transformer Bank shall be in service on a continuous basis irrespective of the disposition of the Bowline Station (including the proposed Bowline Station Unit No. 3), except for required maintenance of the Transformer Bank as well as the associated 345 kV and 138 kV transmission bus as such may be scheduled and approved by Orange and Rockland and Mirant.

(f) Mirant shall develop an acceptable specification for the Transformer Bank as well as a specification for a 100 MVA version of the Transformer Bank subject to review and comment by Orange and Rockland. In order to facilitate such development, Orange and Rockland shall provide Mirant, no later than fifteen (15) days of the date of this Agreement, with a list of suggested vendors of such equipment. Mirant shall issue both specifications and shall secure technically acceptable bids from at least three qualified bidders. Orange and Rockland shall have the right to review Mirant's administration of, and the results from, the bidding process. The bid amounts shall be adjusted to provide for equipment as set forth in the specifications and installation only (including foundations) and amounts for any additional charges not needed to meet the June 1, 2003 in-service date shall not be considered. The difference between the low technically acceptable bid from any bidder on the 400 MVA bank and the low technically acceptable bid from any bidder on the 100 MVA bank shall be the Price Differential for the purpose of Section 2(b). The Price Differential shall be established within thirty (30) days of the low technically acceptable bid determination.

4. <u>Orange and Rockland's Use of Mirant Bowline's Facilities</u>. Mirant Bowline's compensation from Orange and Rockland for Orange and Rockland's use of Mirant

Bowline's transmission and substation facilities in the Orange and Rockland franchise area, as applicable, is embedded in the terms of this Agreement and no additional charge therefore shall be made.

5. Bowline Station 138 kV Transmission System. The expenses for the maintenance, repair and replacement of the 138kV transmission system (the "138 kV System") solely owned by Mirant Bowline and located at the Bowline Station as shown on the one line diagram attached hereto as Exhibit "A" shall be apportioned and paid by Orange and Rockland and Mirant Bowline as follows:

(a) Orange and Rockland shall be responsible for the payment of seventy-five percent (75%) and Mirant Bowline shall be responsible for the payment of twenty-five percent (25%) of the costs of all maintenance and the costs of all labor supplied by Orange and Rockland:

(b) Orange and Rockland shall be responsible for the payment of seventy-five (75%) and Mirant Bowline shall be responsible for the payment of twenty-five percent (25%) of the costs of all repairs (including third party labor costs and parts) for the first ten thousand dollars ($10,000.00) of each repair;

(c) Mirant Bowline shall be responsible for the payment of any repair to the extent that the cost of such repair exceeds ten thousand dollars ($10,000); and

(d) Mirant Bowline shall be responsible for the payment of one hundred percent (100%) of the costs of replacing major equipment relative to the 138kV System such as breakers, transformers and transmission lines.

Any such maintenance, repair and replacement shall be performed by Orange and Rockland in accordance with Good Utility Practices.

6. Gas Regulator Station. Upon the NYPSC's issuance of an order approving the Mirant Section 70 Petition, Hudson Valley and Mirant Bowline shall grant easements to Orange and Rockland for the gas regulator station at the Bowline Station ("Regulator Station") and for the connection of such gas regulator station to Orange and Rockland's gas distribution system on Samsondale Avenue, as well as the gas transmission line tap referred to in Section 7 of this Agreement; provided, however, that such easements shall be limited to properties owned by Mirant Bowline or Hudson Valley. Such easements shall be in the form and location as set forth in Exhibit "B" to this Agreement.

7. Gas Transmission Line Tap. At the time that the Natural Gas Pipeline is constructed, Hudson Valley and Mirant Bowline shall install a six (6) inch tap on the Natural Gas Pipeline, as set forth in Exhibit "C", at no cost to Orange and Rockland. Use of such tap by Orange and Rockland shall be subject to any and all appropriate regulatory approvals.

8. Condensing. Mirant waives any right to compensation from Orange and Rockland for condensing provided by the Mongaup Hydroelectric Station, the Swinging Bridge Hydroelectric Station or the Rio Hydroelectric Station for the period from July 1, 1999 through and including December 31, 2001.

9. Grahamsville Water Charges. Mirant waives any right to compensation from Orange and Rockland for any water charges relating to the Grahamsville Hydroelectric Station.

10. Natural Gas Pipeline Easement. Upon the NYPSC's issuance of an order approving the Orange and Rockland Section 70 Petition, and Mirant's payment of the amounts referred to in Section 2 of this Agreement, Orange and Rockland shall grant easements to Hudson Valley over the property owned by Orange and Rockland, and shall assign to Hudson Valley rights (to the extent such rights are assignable) pursuant to the rights-of-way held by Orange and Rockland, along the route of the Natural Gas Pipeline, in the form set forth as Exhibit "D" to this Agreement. Hudson Valley shall owe Orange and Rockland no additional payment for such easements and rights as a result of the consideration provided by Hudson Valley to Orange and Rockland as part of this Agreement, including the payment for Station Service pursuant to Section 2.

11. Electric Transmission Line Easement. Upon the NYPSC's issuance of an order approving the Orange and Rockland Section 70 Petition, and Mirant's payment of the amounts referred to in Section 2 of this Agreement, Orange and Rockland shall grant easements to Mirant Bowline over property owned by Orange and Rockland, and shall assign to Mirant Bowline rights (to the extent such rights are assignable) pursuant to the rights-of-

way held by Orange and Rockland along the route of the Electric Transmission Line, all as set forth in Exhibit "E" to this Agreement. Mirant Bowline shall owe Orange and Rockland no additional payment for such easements and rights as a result of the consideration provided by Mirant Bowline to Orange and Rockland as part of this Agreement, including the payment for Station Service pursuant to Section 2, except that Mirant Bowline shall be granted an easement for access to areas within the Ladentown Substation to be mutually identified by the parties following the date of this Agreement at a cost equal the value of such easement determined by an independent appraiser mutually selected by Orange and Rockland and Mirant.

12. Payment.

(a) Payment of invoices associated with services provided pursuant to this Agreement shall be made within thirty (30) days of receipt of an appropriately documented invoice.

(b) Payment of invoices by either Party shall not relieve the paying Party from any responsibilities or obligations it has under this Agreement; nor shall it constitute a waiver of any claims arising hereunder.

(c) The rate of interest on any unpaid amounts shall be equal to the publicly announced prime rate of the Chase Manhattan Bank on the date such amount was required to be paid plus two percent (2%) per annum. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the other Party.

13. Regulatory Approvals. Aside from Mirant's payment obligation as set forth in Section 2, this Agreement shall not otherwise become effective and binding upon the Parties until the NYPSC has entered a final order in form and substance reasonably satisfactory to Mirant and Orange and Rockland approving the Orange and Rockland Section 70 Petition. Mirant and Orange and Rockland shall use their best efforts to obtain such NYPSC approval as promptly as practicable following the execution of this Agreement; provided, however,

that if the NYPSC has not approved the Orange and Rockland Section 70 Petition by May 1, 2002, then either Party may thereafter terminate this Agreement upon written notice to the other Party, and neither Party shall have any further liability to the other hereunder. In the event of such termination the Parties shall be returned to their positions immediately prior to the date of this Agreement by the prompt return of any and all payments hereunder within fifteen (15) days of the date of termination and the restoration of any and all claims which any Party may have had immediately prior to the date of this Agreement.

14. Release and Covenant Not To Sue.

(a) Subject to Orange and Rockland's receipt and collection of the Historical Station Service Payment from Mirant in accordance with Section 12 of this Agreement, each Party (a) does hereby release and forever discharge the other Parties of and from any and all claims, demands, rights, causes of action, damages, suits and judgments, at law or in equity, of whatever kind and nature which they have or may have or may claim to have now or in the future, with regard to the provision of and/or payment for Station Service to the Generating Facilities during the period from November 18, 1999 through the date of this Agreement or the grant of and payment for the easements and related real property rights described in this Agreement (the "Covered Claims"), and (b),

agrees not to institute any administrative pleading, suit, action at law, or action in equity against the other Parties (or either of them) in respect of the Covered Claims, it being expressly understood and agreed that this covenant not to sue is entered into for the purpose of the avoiding litigation.

(c) Notwithstanding the above, and subject to Sections 20 and 28, the Parties may seek all available remedies to enforce this Agreement.

15. Representations of Orange and Rockland. Orange and Rockland represents and warrants to Mirant and Hudson Valley as follows:

(a) Orange and Rockland is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and Orange and Rockland has the requisite corporate power and authority to carry on its business as now being conducted;

(b) Orange and Rockland has the requisite corporate power and authority to execute and deliver this Agreement, subject to the procurement of applicable regulatory approvals, and to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by all required corporate action. The Agreement has been duly and validly executed and delivered by Orange and Rockland and, assuming it is duly and validly executed and delivered by Mirant and Hudson Valley, constitutes a legal, valid and binding Agreement of Orange and Rockland; and

(c) (1) Orange and Rockland is not in violation of any applicable law, statute, order, rule, or regulation promulgated or judgment entered by any Federal, state, or local governmental authority, which violation individually or in the aggregate would adversely affect Orange and Rockland's entering into or performance of its obligations under this Agreement; and (2) Orange and Rockland's entering into and performance of its obligations under this Agreement shall not give rise to any default under any agreement to which it is a party.

16. Representations of Mirant. Mirant Bowline, Mirant Lovett and Mirant NY-Gen (each a "Company" for purposes of this Section 16) each represents and warrants to Orange and Rockland and Hudson Valley as follows:

(a) Each Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and each Company has the requisite power and authority to carry on its business as now being conducted;(a) Each

Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and each Company has the requisite power and authority to carry on its business as now being conducted;

(b) Each Company has the requisite power and authority to execute and deliver this Agreement and, subject to the procurement of applicable regulatory approvals, to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by the respective managers or members of each Company and no other company proceedings on the part of any Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by each Company and, assuming it is duly and validly executed and delivered by Orange and Rockland and Hudson Valley, constitutes a legal, valid and binding Agreement of each Company; and

(c) (1)No Company is in violation of any applicable law, statute, order, rule or regulation promulgated or judgment entered by any Federal, state, or local governmental authority, which, individually or in the aggregate, would adversely affect such Company's entering into or performance of its obligations under this Agreement; and (2) No Company's entering into and performance of its obligations under this Agreement shall give rise to any default under any agreement to which it is a party.

17. Representations of Hudson Valley. Hudson Valley represents and warrants to Orange and Rockland and Mirant as follows:

(a) Hudson Valley is a corporation duly organized, validly existing and in good standing under the laws of the state of New York, and Hudson Valley has the requisite power and authority to carry on its business as now being conducted.

(b) Hudson Valley has the requisite power and authority to execute and deliver this Agreement and, subject to the procurement of applicable regulatory approvals, to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by the managers or members of Hudson Valley and no other company proceedings on the part of Hudson Valley are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Hudson Valley and, assuming it is duly and validly executed and delivered by Orange and Rockland and Mirant, constitutes a legal, valid and binding Agreement of Hudson Valley; and

(c) (1)Hudson Valley is not in violation of any applicable law, statute, order, rule, or regulation promulgated or judgment entered by any Federal, state, or local governmental authority, which, individually or in the aggregate, would adversely affect Hudson Valley's entering into or performance of its obligations under this Agreement; and (2) Hudson Valley's entering into and performance of its obligations under this Agreement shall not give rise to any default under any agreement to which it is a party.

18. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned, by any Party, whether by operation of law or otherwise, without the prior written consent of the other Parties, said consent not to be unreasonably withheld. Any assignment of this Agreement in violation of the foregoing shall be, at the option of the non-assigning Parties, void.

19. Independent Contractor Status. Nothing in this Agreement shall be construed as creating any relationship between and among the Parties other than that of an independent contractor. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

20. Limitation of Liability. No Party, nor their respective officers, directors, agents,

employees, parent or affiliates, successors or assigns or their respective officers, trustees, directors, agents or employees, successors or assigns, shall be liable to any other Party or its parent, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns, for claims, suits, actions or causes of action for incidental, punitive, special, indirect, multiple or consequential damages (including without limitation, attorneys' fees and other litigation costs, or claims for lost profits) connected with or resulting from performance or non-performance of this Agreement, or any actions undertaken in connection with or related to this Agreement, including without limitation any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law, or any other theory of recovery. The provisions of this Section shall apply regardless of fault and shall survive termination, cancellation, suspension, completion or expiration of this Agreement.

21. Force Majeure.

(a) A Party shall not be considered to be in default or breach of this Agreement, and shall be excused from performance, or liability for damages to any other Party, to the extent it shall be delayed in or prevented from performing or carrying out any of the obligations or responsibilities of this Agreement because of Force Majeure Event. "Force Majeure Event" means any occurrence beyond the reasonable control of a Party which causes such Party to be delayed in or prevented from performing or carrying out any of its obligations under this Agreement and which by the exercise of due diligence in accordance with Good Utility Practices, that Party is unable to prevent, avoid, mitigate, or overcome, including any of the following: any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, ice, explosion, breakage or accident to machinery or equipment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities provided that a Force Majeure Event shall not include lack of finances or change in market conditions.

(b) Nothing contained in this Section 21 shall relieve any Party of the obligation to make payments when due pursuant to this Agreement.

(c) Any Party claiming that a Force Majeure Event has occurred shall: (i) provide prompt written notice of such Force Majeure Event to the other Parties giving a detailed written explanation of the event and an estimate of its expected duration and probable effect on the performance of that Party's obligations hereunder; and (ii) exercise all reasonable efforts in accordance with Good Utility Practices to continue to perform its obligations under this Agreement; (iii) expeditiously take commercially reasonable action to correct or cure the event or condition excusing performance; provided that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute; (iv) exercise all reasonable efforts to mitigate or limit damages to the other Parties; and (v) provide prompt notice to the other Parties of the cessation of the event or condition giving rise to its excuse from performance.

(d) A Force Majeure Event cannot be caused by any negligent acts, or omissions, or failure to comply with any law or for any breach or default of this Agreement.

22. Further Assurances.

(a) Subject to the terms and conditions of this Agreement, the Parties shall use all commercially reasonable efforts to take, or cause to be taken, all action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement, including without limitation, the use of commercially reasonable efforts to obtain the NYPSC's order(s) approving all necessary Section 70 Petitions. No Party shall, without the prior written consent of the other Parties, take or fail to take any action which might reasonably be expected to prevent or materially impede, interfere with or delay the transactions contemplated by this Agreement. From time to time after the date hereof, each Party shall, at its own expense, execute and deliver such documents to the other Parties as such other Parties may reasonably request in order to more effectively obtain the easements and rights of way pursuant to this Agreement.

(b) Orange and Rockland and Mirant agree to work cooperatively to ensure that the Electric Transmission Line is interconnected without delay to the Ladentown Substation. The Parties acknowledge the fact that a separate interconnection agreement must be negotiated by Mirant, Orange and Rockland, and CECONY for the interconnection at Ladentown, provided, however, that all real estate rights and compensation therefore shall be governed by Section 11.

23. Tax Matters.

(a) Notwithstanding any other provision of this Agreement, all transfer, sales and similar taxes incurred in connection with Orange and Rockland's granting of certain easements to Hudson Valley and assigning certain rights to Hudson Valley under Orange and Rockland's existing rights of way for the Natural Gas Pipeline, pursuant to Section 10 of this Agreement, shall be borne solely by Hudson Valley, and Hudson Valley will, at its own expense, file, to the extent required by law, all necessary tax returns with respect to all such taxes.

(b) Notwithstanding any other provision of this Agreement, all transfer, sales and similar taxes incurred in connection with Orange and Rockland's granting of certain easements to Mirant Bowline and assigning certain rights to Mirant Bowline under Orange and Rockland's existing rights of way for the Electric Transmission Line, pursuant to Section 11 of this Agreement, shall be borne solely by Mirant Bowline, and Mirant Bowline will, at its own expense, file, to the extent required by law, all necessary tax returns with respect to all such taxes.

(c) Notwithstanding any other provision of this Agreement, all transfer, sales and similar taxes incurred in connection with Mirant Bowline's and Hudson Valley's granting of certain easements to Orange and Rockland for the Regulator Station and the connection of the Regulator Station to Orange and Rockland's gas distribution system on Samsondale Avenue, pursuant to Section 6 of this Agreement, shall be borne solely by Orange and Rockland, and Orange and Rockland will, at its own expense, file, to the extent required by law, all necessary tax returns with respect to all such taxes.

24. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed effective upon receipt when delivered either by hand delivery, cable, telecopy (confirmed in writing) or telex, or by mail (registered or certified, postage prepaid) to the respective Parties as follows:

(a) If to Orange and Rockland, to:
Orange and Rockland Utilities, Inc.
One Blue Hill Plaza
Pearl River, New York 10965
Attention: President

Fax: (845) 577-6910

(b) If to Mirant, to:
Mirant New York , L.L.C.
400 Rella Boulevard – Suite 157

giving effect to the conflict of law principles thereof. Except for those matters covered in this Agreement and jurisdictional to the Federal Energy Regulatory Commission ("FERC") or the appellate courts having jurisdiction over FERC matters, any action arising out of or concerning this Agreement must be brought in the federal or state courts situated in the State of New York, Counties of Rockland, Westchester or New York. Both Parties hereby consent to the jurisdiction of the aforementioned courts for the purpose of hearing and determining any action not pre-empted by Federal law; and to the jurisdiction of FERC for those matters governed by FERC rules and regulations or by the Federal Power Act.

29. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the Parties agree that such unenforceable or invalid provision shall not be severed from the balance of this Agreement and this Agreement shall be terminated upon such finding of unenforceability or invalidity.

30. Amendments. This Agreement shall not be amended, modified, or supplemented unless such amendment shall be in routing and signed by all the Parties.

31. Entire Agreement. This Agreement constitutes the entire understanding between the Parties, and supersedes any and all previous understandings, oral or written, which pertain to the subject matter contained herein or therein.

32. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties, any rights or remedies under or by reason of this Agreement.

IN WITNESS WHEREOF, the Parties, intending to be bound, have executed this Agreement by their duly authorized representatives as of the date first set forth above.

ORANGE AND ROCKLAND UTILITIES, INC.

Steph B Bram

By: Steve Bram
Title: President

MIRANT BOWLINE, L.L.C.

Mark S Lynch

By: Mark S. Lynch
Title: President

MIRANT LOVETT, L.L.C.

Mark S Lynch

By: Mark S. Lynch
Title: President

MIRANT NY-GEN, L.L.C.

Mark S Lynch

By: Mark S. Lynch
Title: President

HUDSON VALLEY GAS CORPORATION

Mark S Lynch

By: Mark S. Lynch
Title: President

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Exhibit A

Exhibit B

GRANT OF EASEMENT

THIS GRANT OF EASEMENT, made as of the _____ day of ____________, 2001, by MIRANT BOWLINE, L.L.C., a Delaware limited liability company having an office at 400 Rella Boulevard, Suite 157, Suffern, New York, 10901 (hereinafter referred to as the "Mirant Bowline" or "Grantor") to ORANGE AND ROCKLAND UTILITIES, INC., a corporation organized under the laws of the State of New York having an office at One Blue Hill Plaza, Pearl River, New York 10965 (hereinafter referred to as "Orange and Rockland" or "Grantee"). Grantor and Grantee shall hereinafter be referred to collectively as the "Parties" and individually as a "Party".

WITNESSETH:

That Grantor, in consideration of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration paid to it by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto Grantee, its successors and assigns forever, a perpetual non-exclusive easement for the construction, reconstruction, operation, and maintenance of a natural gas metering and regulating station (the "Station") and for the connection of the Station to (i) the 4.2 mile, 24-inch outside diameter intrastate natural gas pipeline Grantor proposes to construct in the Towns of Haverstraw, Clarkstown and the Village of West Haverstraw, Rockland County, New York and (ii) Orange and Rockland's natural gas distribution system located on Samsondale Avenue, along with reasonable access across the property of Grantor in order to install and maintain the Station and connecting facilities, free of the lien of any security interest created by the Grantor covering the easement, which easement is more particularly described in Exhibit A attached hereto and made a part hereof; and

The above-described easement shall be subject to the terms and conditions of Rider A attached hereto and made a part hereof.

All of the rights granted herein shall run with the land and bind and inure to the benefit of the Parties, their respective successors and assigns.

IN WITNESS WHEREOF, Grantor and Grantee have executed this instrument by a duly authorized officer, as of the day and year written above.

ORANGE AND ROCKLAND UTILITIES, INC.

By ______________________

Name ______________________

Title ______________________

MIRANT BOWLINE, L.L.C.

By ______________________

Name ______________________

Title ______________________

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the _____ day of ______ in the year 2001, before me, the undersigned, personally appeared: _____________, 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, who acknowledged to me that he/she executed the same in his/her capacity as _____________ of ____________, and that by (her)his signature on the instrument, the individual, or the person (or entity) on behalf of which the individual acted, executed the instrument.

____
Notary Public - State of New York

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the _____ day of ______ in the year 2001, before me, the undersigned, personally appeared: ___ ____________ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name is subscribed to the within instrument and who acknowledged to me that he/she executed the same in his/her capacity as ____________ of ______________ and that by his/her signature on the instrument, the individual, or the person (or entity) on behalf of which the individual acted, executed the instrument.

____
Notary Public - State of New York

RIDER A

TERMS AND CONDITIONS

1. The natural gas metering and regulating station and connecting facilities (collectively the "Facility") shall be installed and at all times maintained at the sole cost and expense of the Grantee.

2. Grantee shall provide Grantor written notice of the installation of, or any major reconstruction on, the Facility at least 14 calendar days prior to such installation or reconstruction in order that Grantor may supervise such installation or reconstruction. Grantee shall comply with all applicable safety rules and regulations prescribed by the New York State Public Service Commission for the protection of any poles, wires, guys, conduits, cables, pipelines, and other structures and equipment that Grantor may have on the property.

3. Nothing herein contained shall be deemed to grant to the Grantee the right to enter upon the lands of Grantor for any purpose other than for the installation and maintenance of the Facility and its necessary appurtenances, including periodic inspections, and for the performance of its obligations under this Easement.

4. All installation and maintenance operations shall be performed by the Grantee expeditiously and in accordance with good utility practices. Grantee shall at all times exercise due care that no person or equipment under its control shall come in contact with any electric lines or natural gas pipelines that Grantor has on or under the property at any time.

5. After any installation of or maintenance work on the Facility by Grantee, the premises of Grantor shall be restored by Grantee at its own cost and expense to as near as possible to the condition in which the premises were prior to the installation or maintenance work.

6. Nothing herein contained shall in any way be deemed to limit or affect the use of its premises by Grantor except that any facilities installed by Grantee subsequent to the date of the easement to which this Rider is attached shall be so located as to permit the Facility to remain as located.

7. Nothing herein contained shall be construed as affecting any rights previously conferred by Grantor by agreement to others and Grantor shall continue to have all rights that it now possesses to grant such rights, provided that any such grant does not interfere with Grantee's use of this Easement.

8. Grantor may cancel this Easement if the Grantee abandons the use of the rights granted, or removes the Facility and appurtenances, or if the Grantee shall fail in the performance of or permit the violation of any of the covenants, conditions, terms or provisions or this Easement, when such default shall not be made good within 30 days after written notice and demand. Cancellation shall be effected by giving to Grantee 60 days notice of the cancellation in writing and in accordance with Paragraph 11 herein, which cancellation shall be effective upon the sixtieth day after mailing of such notice. For purposes of this paragraph, abandonment shall mean either the failure of Grantee to commence construction of any Facility within seven years of approval of same by the New York State Public Service Commission or, once the Facility is constructed, the cessation of use of the Facility for commercial operation for a period of greater than one year. In the event of any such cancellation or abandonment of the Easement, Grantor immediately shall cause a release of the Easement to be recorded in the appropriate county clerk's office or other office for recording real estate documents.

9. Upon cancellation of the Easement, the Grantee may abandon the Facility in place or the Grantee shall, at its own cost and expense, immediately remove such portions of its Facility and appurtenances as it may desire. Upon cancellation, Grantee shall have no further

right to enter upon said premises of Grantor pursuant to this Easement. If, at any time, whether before or after any cancellation or abandonment of the Easement, any federal, state or municipal authority requires the removal of some or all of the Facility, Grantee shall remove such Facility at its own cost and expense. If Grantee removes some or all of the Facility, Grantee shall restore the premises of Grantor as near as possible to the condition in which the premises were prior to such removal work.

10. Grantor and Grantee covenant and agree that they will at all times hereafter indemnify, defend, protect and save harmless each other from and against any and all losses, damages, expenses, costs, charges, claims, demands, suits, actions or judgments of any kind and nature which the Parties, their successors and assigns, may in anywise suffer, sustain or be subjected to, or which may be imposed upon or recovered against either Party by reason of the failure of the other Party hereto to keep and perform any of the terms, provisions and agreements hereof, and/or by reason of the other Party hereto or anyone in its behalf or by its authority or permission at any time being upon the said premises, and/or by reason of or arising out of the erection, construction, operation and/or maintenance of any of Grantor's or Grantee's facilities or appurtenances thereto located on Grantor's property.

11. All notices given hereunder or in any way affecting this agreement shall be given by Registered Mail, Return Receipt Requested, addressed as follows:

If to Grantee: Orange and Rockland Utilities, Inc. Attention: Real Estate Department, One Blue Hill Plaza, Pearl River, New York 10965.

If to Grantor: Mirant Bowline, L.L.C., Attention: President, 400 Rella Boulevard, Suite 157, Suffern, New York 10901.

The date of deposit in a United States Post Office with the postage thereon prepaid shall be considered as the date of service or giving of the notice. Either Party may change the place at which the notice shall be given hereunder to it by a notice served upon the other party in the same manner as herewith provided.

12. The failure of either Party to insist upon strict performance or any of the provisions hereof, or to exercise any right herein conferred upon it, in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any provisions or rights, but the same shall remain in full force and effect.

13. This Easement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Easement nor any of the rights, interests, or obligations hereunder shall be assigned, except to an Affiliate of Grantee, without the prior written consent of the Grantor, said consent not to be unreasonably withheld or delayed. "Affiliate" means with respect to a corporation, partnership, or other entity, each other corporation, partnership, or other entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such corporation, partnership or other entity.

EXHIBIT A

PARCEL 1

DESCRIPTION OF THE LOCATION OF A PROPOSED EASEMENT FOR AN 8" GAS LINE TO CROSS THE LANDS OF MIRANT BOWLINE L.L.C., TOWN OF HAVERSTRAW, AND VILLAGE OF WEST HAVERSTRAW, ROCKLAND COUNTY, NEW YORK.

BEGINNING at a point in the Easterly line of Samsondale Avenue, said point being located the following three (3) courses and distances from the intersection of the lands N/F of Mirant Bowline L.L.C. (on the south) and the lands N/F of the Village of West Haverstraw (on the North) as measured along the heretofore said Easterly line of Samsondale Avenue: (1) S-21-26-56-E 24.82' to a point; (2) thence, S-21-15-12-E 61.57' to a point; (3) thence, S-17-57-44-E 81.93' to the aforesaid BEGINNING point; thence, leaving the aforesaid Samsondale Avenue and coursing the following eight (8) courses and distances through the lands of the said Mirant Bowline L.L.C.: (1) S-88-48-59-E 122.57' to a point; (2) thence, N-65-11-01-E 212.44' to a point; (3) thence, S-24-48-59-E 10.00' to a point; (4) thence, N-69-25-12-E 135.37' to a point; (5) thence, N-65-11-01-E 228.96' to a point; (6) thence, N-73-11-02-E 432.83' crossing from the Village of West Haverstraw into the Town of Haverstraw to a point; (7) thence, N-79-11-02-E 167.00' to a point; (8) thence, N-10-48-58-W 67.63' to a point in the proposed Southerly bound of a proposed gas metering station.

The above described line is intended to be 5' Northerly and 10' Southerly of the limits of a 15' wide permanent easement for gas transmission. It further is intended to be the centerline of a 30' wide (being 15' on each side) temporary easement for the construction of the said gas transmission line.

This grant affects Town of Haverstraw Tax Map Section 26.08, Block 2, Lot 39 and Tax Map Section 27.05, Block 1, Lot 2.

PARCEL 2

DESCRIPTION OF A PROPOSED GAS METERING AND REGULATING STATION LOCATED ON THE LANDS OF MIRANT BOWLINE L.L.C., TOWN OF HAVERSTRAW, ROCKLAND COUNTY, NEW YORK

BEGINNING at a point located S-80-24-26-W 30.00' from the end of the last described course of a 15' wide easement for an 8" gas line being granted simultaneously with this easement for a gas metering station and running; thence, N-10-16-56-W 90.00' to a point; thence, N-79-43-04-E 150.00' to a point; thence, S-10-16-56-E 91.80' to a point; thence, S-80-24-26-W 150.01' to the point and place of BEGINNING.

This grant affects Town of Haverstraw Tax Map Section 27.05, Block 1, Lot 2.

PARCEL 3

CENTER LINE DESCRIPTION OF A 30 FOOT WIDE EASEMENT FOR INSTALLATION OF A 6" GAS LINE CONNECTION BETWEEN THE PROPOSED HUDSON VALLEY 24" GAS LINE AND PARCEL 2, ABOVE.

BEGINNING at the Northwest corner of Parcel 2, above, and running thence westerly on a course S-79-43-04-W a distance of 150 feet.

This grant affects Town of Haverstraw Tax Map Section 27.05, Block 1, Lot 2.

Exhibit C

Exhibit D

EXHIBIT "D"

GRANT OF EASEMENT

THIS GRANT OF EASEMENT, made as of the ____ day of ____________, 2001, by ORANGE AND ROCKLAND UTILITIES, INC., a corporation organized under the laws of the State of New York having an office at One Blue Hill Plaza, Pearl River, New York 10965 (hereinafter referred to as "Orange and Rockland" or "Grantor"), to HUDSON VALLEY GAS CORPORATION, a New York corporation having an office at 400 Rella Boulevard, Suite 157, Suffern, New York, 10901 (hereinafter referred to as the "Hudson Valley" or "Grantee"). Grantor and Grantee shall hereinafter be referred to collectively as the "Parties" and individually as a "Party".

WITNESSETH:

That Grantor, in consideration of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration paid to it by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto Grantee, its successors and assigns forever, perpetual non-exclusive easements for the construction, reconstruction, operation, and maintenance of a 24 inch underground natural gas pipeline, or as may otherwise be approved by the New York State Public Service Commission, and all necessary appurtenances thereto, for the transmission of natural gas upon, over, under, along and across the property of Grantor, together with the right to clear the easement and keep it clear of brush, trees, buildings, fire hazards; and, subject to reasonable notice to and review by Grantor, the right to remove trees on Grantor's property, if any, located beyond the limits of the easements but that may interfere with Grantee's use of the easements, along with reasonable access across the property of Grantor in order to install and maintain said 24 inch underground natural gas pipeline, free of the lien of any security interest created by the Grantor covering certain lots, pieces or parcels of land situate, lying and being in the Village of West Haverstraw, Town of Haverstraw and the Town of Clarkstown, County of Rockland, State of New York, which easement centerlines are more particularly described in Exhibit A attached hereto and made a part hereof, and includes any rights that Grantor, as fee owner, may have in any part of any street or road adjoining the above-described easement; and

TOGETHER WITH, to the extent assignable by Grantor, a perpetual non-exclusive easement for the construction, reconstruction, operation, and maintenance of a 24 inch underground natural gas pipeline and all necessary appurtenances thereto, for the transmission of natural gas upon, over, under, along and across the easement of Grantor as granted to it by Quentin E. Lyle, Jr. and Robert W. Lyle in an instrument dated May 11, 1971 and recorded May 24, 1971 at Liber 890, Page 317 in the Rockland County Clerk's Office, together with the right to clear the easement and keep it clear of brush, trees, buildings, fire hazards;, free of the lien of any security interest created by the Grantor covering certain lots, pieces of parcels of land situate, lying and being in the Town of Haverstraw, County of Rockland, State of New York,, and includes any rights that Grantor, as easement holder, may have in any part of any street or road adjoining the above-described easement;

TOGETHER WITH, all right, title and interest of the Grantor in and to easements granted to Grantor for the construction, operation and maintenance of one or more gas pipelines by the

Village of West Haverstraw in an instrument dated November 10, 1978 and recorded November 16, 1978 at Liber 1016, Page 1033 in the Rockland County Clerk's Office; by Joseph J. Hidalgo and Lydia M. Hidalgo in an instrument dated October 5, 1978 and recorded November 16, 1978 at Liber 1016, Page 1025 in the Rockland County Clerk's Office; by Robert J. Howe and Fran M. Howe in an instrument dated October 9, 1978 and recorded November 16, 1978 at Liber 1016, Page 1031 in the Rockland County Clerks Office; by Mario A. Masson and Roseann Masson in an instrument dated September 27, 1978 and recorded November 16, 1978 at Liber 1016, Page 1028 in the Rockland County Clerk's Office; and includes any rights that Grantor, as easement holder, may have in any part of any street or road adjoining the above-described easement along with reasonable access across the property of Grantor in order to install and maintain said 24 inch underground natural gas pipeline; and

All of the above-described easements shall be subject to the terms and conditions of Rider A attached hereto and made a part hereof.

All of the rights granted herein shall run with the land and bind and inure to the benefit of the Parties, their respective successors and assigns.

IN WITNESS WHEREOF, Grantor and Grantee have executed this instrument by a duly authorized officer, as of the day and year written above.

ORANGE AND ROCKLAND UTILITIES, INC.

By______________________________

Name: ____________________________

Title: _____________________________

HUDSON VALLEY GAS CORPORATION

By______________________________

Name: ____________________________

Title: _____________________________

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the ____ day of ________ in the year 2001 before me, the undersigned, personally appeared: 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 (or entity) on behalf of which the individual acted, executed the instrument.

____
Notary Public - State of New York

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the _____ day of __________ in the year 2001, before me, the undersigned, personally appeared: personally: ____ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s)s is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person (or entity) on behalf of which the individual(s) acted, executed the instrument.

____
Notary Public - State of New York

RIDER A

TERMS AND CONDITIONS

1. The 24 inch underground natural gas pipeline (the "Facility") shall be installed and at all times maintained at the sole cost and expense of the Grantee in strict conformity with plans and specifications which have been submitted to and approved by the New York State Public Service Commission.

2. Grantee shall provide to Grantor written notice of installation of, or any major reconstruction on, the Facility at least 14 calendar days prior to such installation or reconstruction in order that Grantor may supervise the same Grantee shall comply with all applicable safety rules and regulations prescribed by the New York State Public Service Commission for the protection of any poles, wires, guys, conduits, cables, pipelines, and other structures and equipment that Grantor may have on the property.

3. Nothing herein contained shall be deemed to grant to the Grantee the right to enter upon the lands of Grantor for any purpose other than for the installation and maintenance of the Facility and their necessary appurtenances, including periodic inspections, and for the performance of its obligations under this Easement.

4. All installation and maintenance operations shall be performed by the Grantee expeditiously and in accordance with good construction practices. Grantee shall at all times exercise due care that no person or equipment under its control shall come in contact with any electric lines or natural gas pipeline which Grantor has on or under the property at any time.

5. After any installation of or maintenance work on the Facility by Grantee, the premises of Grantor shall be restored by Grantee at its own cost and expense to as near as possible to the condition in which the premises were prior to the installation or maintenance work.

6. Upon completion of the installation of the Facility, the Grantee shall mark the location of the Facility by means of suitable, durable, and secure monuments of a type that will not interfere with vehicular traffic, in accordance with the rules and regulations of the New York State Public Service Commission.

7. Nothing herein contained shall in any way be deemed to limit or affect the use of its premises by Grantor except that any installations beneath the soil shall be so located as to permit the Facility to remain as located.

8. Nothing herein contained shall be construed as affecting any rights previously conferred by Grantor by agreement to others and Grantor shall continue to have all rights that it now possesses to grant such rights, provided that any such grant does not interfere with Grantee's use of this Easement.

9 Grantor may cancel this Easement if the Grantee abandons the use of the rights granted, or removes the Facility and appurtenances, or if the Grantee shall fail in the performance of or permit the violation of any of the covenants, conditions, terms or provisions or this Easement, when such default shall not be made good within 30 days after written notice and demand. Cancellation shall be effected by giving to Grantee 60 days notice of the cancellation in writing and in accordance with Paragraph 12 herein, which cancellation shall be effective

upon the sixtieth day after mailing of such notice. For purposes of this paragraph, abandonment shall mean either the failure of Grantee to commence construction of any Facility within one year of approval of same by the New York State Public Service Commission or the cessation of use of the Facility for commercial operation for a period of greater than one year. In the event of any such cancellation or abandonment of the Easement, Grantor immediately shall cause a release of the Easement to be recorded in the appropriate county clerk's office or other office for recording real estate documents.

10. Upon cancellation of the Easement, the Grantee may abandon the Facility in place or the Grantee shall, at its own cost and expense, immediately remove such portions of its Facility and appurtenances as it may desire. Upon cancellation, Grantee shall have no further right to enter upon said premises of Grantor pursuant to this Easement. If, at any time, whether before or after any cancellation or abandonment of the Easement, any Federal, state or municipal authority requires the removal of some or all of the Facility, Grantee shall remove such Facility at its own cost and expense. If Grantee removes some or all of the Facility, Grantee shall restore the premises of Grantor as near as possible to the condition in which the premises were prior to such removal work.

11. Grantor and Grantee covenant and agree that they will at all times hereafter indemnify, defend, protect and save harmless each other from and against any and all losses, damages, expenses, costs, charges, claims, demands, suits, actions or judgments of any kind and nature which the Parties, their successors and assigns, may in anywise suffer, sustain or be subjected to, or which may be imposed upon or recovered against either Party by reason of the

failure of the other Party hereto to keep and perform any of the terms, provisions and agreements hereof, and/or by reason of the other Party hereto or anyone in its behalf or by its authority or permission at any time being upon the said premises, and/or by reason of or arising out of the erection, construction, operation and/or maintenance of any of Grantor's or Grantee's facilities or appurtenances thereto located on Grantor's property.

12. All notices given hereunder or in any way affecting this agreement shall be given by Registered Mail, Return Receipt Requested, addressed as follows:

If to Grantor: Orange and Rockland Utilities, Inc. Attention: Real Estate Department, One Blue Hill Plaza, Pearl River, New York 10965;

If to Grantee: Hudson Valley Gas Corporation, Attention: Mr. Mark S. Lynch , 400 Rella Boulevard, Suite 157, Suffern, New York 10901.

The date of deposit in a United States Post Office with the postage thereon prepaid shall be considered as the date of service or giving of the notice. Either party may change the place at which the notice shall be given hereunder to it by a notice served upon the other party in the same manner as herewith provided.

13. The failure of either Party to insist upon strict performance or any of the provisions hereof, or to exercise any right herein conferred upon it, in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any provisions or rights, but the same shall remain in full force and effect.

14. This Easement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns but

neither this Easement nor any of the rights, interests, or obligations hereunder shall be assigned, except to an Affiliate of Grantee that owns the Bowline Point Generating Station without the prior written consent of the Grantor, said consent not to be unreasonably withheld or delayed. "Affiliate" means with respect to a corporation, partnership, or other entity, each other corporation, partnership, or other entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such corporation, partnership or other entity.

EXHIBIT A

I. **CENTERLINE OF PROPOSED 24 INCH GAS PIPELINE THRU TAX LOT 171-A-5.**

All that certain plot, piece or parcel of land situate, lying and being in the Town of Clarkstown, County of Rockland and State of New York. Being more fully bounded and described as follows:

(3)

BEGINNING at a point on the westerly right-of-way line of Buena Vista Road, said point being distant S12-03-30W, 35.15 feet as measured in a southerly direction along the westerly right-of-way line of Buena Vista Road from a point on the westerly right-of-way line of Buena Vista Road located at the southeast corner of lands now or formerly of Thomas & Darlene Kelly (Tax Lot 171-A-4.02) and the northeast corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 171-A-5); running thence thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 171-A-5) the following two (2) courses and distances:

1) N73-02-05W, 249.89 feet;

2) S61-57-55W, 23.65 feet;

3) N72-03-12W, 10.00 feet to the connection to the existing 24 inch Columbia Gas pipeline also being the terminus of said centerline of proposed 24 inch gas pipeline.

The foregoing is depicted on the attached "Survey of Property for Southern Energy Bowline, L.L.C., Town of Clarkstown, Rockland County New York, dated May 30, 2000

(Tax Lot 171-A-5)".

II. **CENTERLINE OF PROPOSED 24 INCH GAS PIPELINE THRU TAX LOT 25-B-11.**

All that certain plot, piece of parcel of land situate, lying and being in the Town of Clarkstown, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the easterly line of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11), said point being distant S09-40-55W, 242.29 feet as measured in a southerly direction along the easterly line of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11) from a point on the southerly right-of-way line of South Mountain Road located at the northeast corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11) and the northwest corner of lands now or formerly of Julia Moxley (Tax Lot 25-B-1); running thence thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11) the following two (2) courses and distances:

1) S35-35-59W, 105.98 feet;

2) S45-42-56W, 2.30 feet to a point on the southerly line of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11), also being the terminus of said 24 inch gas pipeline thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 25-B-11).

The foregoing is depicted on the attached "Survey of Property for Southern Energy

Bowline, L.L.C., Town of Clarkstown, Rockland County New York, dated May 11, 2000 (Tax Lot 25-B-11)".

III. **CENTERLINE OF PROPOSED 24 INCH GAS PIPELINE THRU TAX LOT 26.10-4-1.**

All that certain plot plan, piece or parcel of land situate, lying and being in the Village of West Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the southerly right-of-way line of Route 202, said point being located at the northeast corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-4-1) and the northwest corner of lands now or formerly of Richard O'Brien (Tax Lot 26.10-4-2); running thence

1) S07-36-27E, 213.96 feet along the westerly line of lands now or formerly of Richard O'Brien (Tax Lot 26.10-4-2) and thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-4-1); thence;

2) S32-25-48W, 568.64 feet thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-4-1) to a point on the northerly line of lands now or formerly of Robert J. Greco (Tax Lot 26.10-4-46), also being the terminus of said 24 inch pipeline thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-4-1).

The foregoing is depicted on the attached "Map of Proposed Gas Pipeline, Southern Energy Bowline, L.L.C., Village of West Havertraw, Town of Haverstraw, Rockland

County New York, dated May 30, 2000 (Tax Lot 26.10-4-1)".

IV. **CENTERLINE OF PROPOSED 24 INCH GAS PIPELINE THRU TAX LOT 26.06-6-75.**

All that certain plot, piece or parcel of land situate, lying and being in the Village of West Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the northerly line of lands now or formerly of Frank Bellino (Tax Lot 26.06-6-74), said point being distant S85-50-23W, 150.00 feet as measured in a westerly direction along the northerly line of lands now or formerly of Frank Bellino (Tax Lot 26.06-6-74) from a point located at the northeast corner of lands nor or formerly of Frank Bellino (Tax Lot 26.06-6-74); running thence thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.06-6-75) the following six (6) courses and distances:

1) N49-25-00E, 53.00 feet;

2) N13-11-00E, 267.30 feet;

3) N12-28-03W, 349.87 feet;

4) N57-59-40E, 287.52 feet;

5) N83-59-17E, 45.63 feet;

6) N57-59-40E, 96.28 feet to a point on the southerly line of lands now or formerly of the Village of West Haverstraw (Tax Lot 26.06-6-71), also being the terminus of said 24 inch gas pipeline thru lands now or formerly or Orange & Rockland

Utilities, Inc. (Tax Lot 26.06-6-75).

The foregoing is depicted on the attached "Map of Proposed Electric and Gas Pipeline, Southern Energy Bowline, L.L.C., Village of West Haverstraw, Town of Haverstraw, Rockland County New York, dated July 27, 2001 (Tax Lots 26.06-6-75)".

J:\DATA\Client1\08351\Exhibit D to Settlement Agreement (O&R Natural Gas Easement).wpd

Exhibit E

RECYCLED

EXHIBIT "E"

GRANT OF EASEMENT

THIS GRANT OF EASEMENT, made as of the _____ day of ___________, 2001, by ORANGE AND ROCKLAND UTILITIES, INC., a corporation organized under the laws of the State of New York having an office at One Blue Hill Plaza, Pearl River, New York 10965 (hereinafter referred to as "Orange and Rockland" or "Grantor"), to MIRANT BOWLINE, L.L.C. a Delaware limited liability company having an office at 400 Rella Boulevard, Suite 157, Suffern, New York, 10901 (hereinafter referred to as "Mirant" or "Grantee"). Grantor and Grantee shall hereinafter be referred to collectively as the "Parties" and individually as a "Party".

WITNESSETH:

That Grantor, in consideration of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration paid to it by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto Grantee, its successors and assigns forever, a perpetual non-exclusive easement for the construction, reconstruction, operation, and maintenance of an underground 354kV electric transmission line composed of extruded Crosslinked Polyethylene (XLPE) insulated cable consisting of a single circuit of three (3) segmental copper cables, or as may otherwise be approved by the New York State Public Service Commission, plus a 4" PVC communications duct, and all necessary appurtenances thereto (the "Underground Transmission Line") for the transmission of electricity upon, over, under, along and across the property of Grantor, together with the right to clear the easement and keep it clear of brush, trees, buildings, fire hazards; and, subject to reasonable notice to and review by Grantor, the right to remove trees on Grantor's property, if any, located beyond the limits of the easement but that may interfere with Grantee's use of the easement, along with reasonable access across the property of Grantor in order to install and maintain said Underground Transmission Line free of the lien of any security interest created by the Grantor covering certain lots, pieces or parcels of land situate, lying and being in the Village of West Haverstraw, Village of Pomona, Town of Haverstraw, and the Town of Ramapo, County of Rockland, State of New York, which easement centerlines are more particularly described in Exhibit A attached hereto and made a part hereof, and includes any rights that Grantor, as fee owner, may have in any part of any street or road adjoining the above-described easement; and

TOGETHER WITH, to the extent assignable by Grantor, a perpetual non-exclusive easement for the construction, reconstruction, operation and maintenance of said Underground Transmission Line through easements heretofore granted to Grantor as more particularly described in Exhibit B attached hereto and made a part hereof, and includes any rights that Grantor, as easement holder, may have in any part of any street or road adjoining said easements along with reasonable access across the property of Grantor in order to install and maintain the Underground Transmission Line.

TOGETHER WITH, all right, title and interest of the Grantor in certain easements heretofore granted to the Grantor for the construction, operation and maintenance of one or more electric transmission lines by the Village of West Haverstraw in an instrument dated November 10, 1978 and recorded November 16, 1978 at Liber 1016, Page 1033 in the Rockland County Clerk's Office; by Joseph J. Hidalgo and Lydia M. Hidalgo in an instrument dated October 5, 1978 and recorded November 16, 1978 at Liber 1016, Page 1025 in the Rockland County Clerk's Office; by Robert J. Howe and Fran M. Howe in an instrument dated October 9, 1978 and recorded November 16, 1978 at Liber 1016, Page 1028 in the Rockland County Clerk's Office; and includes any rights that Grantor, as easement holder, may have in any part of any street or road adjoining the above-described easements along with reasonable access across the property of Grantor in order to install and maintain said Underground Electric Transmission Line; and

All of the above-described easements shall be subject to the terms and conditions of Rider A attached hereto and made a part hereof.

All of the rights granted herein shall run with the land and bind and inure to the benefit of the Parties, their respective successors and assigns.

IN WITNESS WHEREOF, Grantor and Grantee have executed this instrument by a duly authorized officer, as of the day and year written above.

ORANGE AND ROCKLAND UTILITIES, INC.

By______________________________

Name: ___________________________

Title: ____________________________

MIRANT BOWLINE, L.L.C.,

By______________________________

Name: ___________________________

Title: ____________________________

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the ____ day of ____________ in the year 2001, before me, the undersigned, personally appeared: personally: ____________________ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s)s is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person (or entity) on behalf of which the individual(s) acted, executed the instrument.

____
Notary Public - State of New York

STATE OF NEW YORK)
COUNTY OF ________) ss:

On the _____ day of ___________ in the year 2001, before me, the undersigned, personally appeared: personally: ____ known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s)s is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the the same in his/her their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person (or entity) on behalf of which the individual(s) acted, executed the instrument.

____
Notary Public - State of New York

J:\DATA\Client1\08351\Exhibit E to Settlement Agreement (O&R Electricity Easement).wpd

RIDER A

TERMS AND CONDITIONS

1. The underground 345 kV electric transmission line (the "Facility") shall be installed and at all times maintained at the sole cost and expense of the Grantee in strict conformity with plans and specifications which have been submitted to and approved by the New York State Public Service Commission.

2. Grantee shall provide to Grantor written notice of installation of, or any major reconstruction on, the Facility at least 14 calendar days prior to such installation or reconstruction in order that Grantor may supervise such installation or reconstruction. Grantee shall comply with all applicable safety rules and regulations prescribed by the New York State Public Service Commission for the protection of any poles, wires, guys, conduits, cables, pipelines, and other structures and equipment that Grantor may have on the property.

3. Nothing herein contained shall be deemed to grant to the Grantee the right to enter upon the lands of Grantor for any purpose other than for the installation and maintenance of the Facility and its necessary appurtenances, including periodic inspections, and for the performance of its obligations under this Easement.

4. All installation and maintenance operations shall be performed by the Grantee expeditiously and in accordance with good construction practices. Grantee shall at all times exercise due care that no person or equipment under its control shall come in contact with any electric lines or natural gas pipeline which Grantor has on or under the property at any time.

5. After any installation of or maintenance work on the Facility by Grantee, the premises of Grantor shall be restored by Grantee at its own cost and expense to as near as possible to the condition in which the premises were prior to the installation or maintenance work.

6. Upon completion of the installation of the Facility, the Grantee shall mark the location of the Facility by means of suitable, durable, and secure monuments of a type that will not interfere with vehicular traffic, in accordance with the rules and regulations of the New York State Public Service Commission.

7. Nothing herein contained shall in any way be deemed to limit or affect the use of its premises by Grantor except that any installations beneath the soil shall be so located as to permit the Facility to remain as located.

8. Nothing herein contained shall be construed as affecting any rights previously conferred by Grantor by agreement to others and Grantor shall continue to have all rights that it now possesses to grant such rights, provided that any such grant does not interfere with Grantee's use of this Easement.

9. Grantor may cancel this Easement if the Grantee abandons the use of the rights granted, or removes the Facility and appurtenances, or if the Grantee shall fail in the performance of or permit the violation of any of the covenants, conditions, terms or provisions or this Easement, when such default shall not be made good within 30 days after written notice and demand. Cancellation shall be effected by giving to Grantee 60 days notice of the cancellation in writing and in accordance with Paragraph 12 herein, which cancellation shall be effective upon the sixtieth day after mailing of such notice. For purposes of this paragraph, abandonment shall

mean either the failure of Grantee to commence construction of any Facility within one year of approval of same by the New York State Public Service Commission or the cessation of use of the Facility for commercial operation for a period of greater than one year. In the event of any such cancellation or abandonment of the Easement, Grantor immediately shall cause a release of the Easement to be recorded in the appropriate county clerk's office or other office for recorded real estate documents.

10. Upon cancellation of the Easement, the Grantee may abandon the Facility in place or the Grantee shall, at its own cost and expense, immediately remove such portions of its Facility and appurtenances as it may desire. If, at any time, whether before or after any cancellation or abandonment of the Easement, any Federal, state or municipal authority requires the removal of some or all of the Facility, Grantee shall remove such Facility at its own cost and expense. If Grantee removes some or all of the Facility, Grantee shall restore the premises of Grantor as near as possible to the condition in which the premises were prior to such removal work.

11. Grantor and Grantee covenant and agree that they will at all times hereafter indemnify, defend, protect and save harmless each other from and against any and all losses, damages, expenses, costs, charges, claims, demands, suits, actions or judgments of any kind and nature which the Parties, their successors and assigns, may in anywise suffer, sustain or be subjected to, or which may be imposed upon or recovered against either Party by reason of the failure of the other Party hereto to keep and perform any of the terms, provisions and agreements hereof, and/or by reason of the other Party hereto or anyone in its behalf or by its authority or permission at any time being upon the said premises, and/or by reason of or arising out of the erection,

construction, operation and/or maintenance of any of Grantor's or Grantee's facilities or appurtenances thereto located on Grantor's property.

12. All notices given hereunder or in any way affecting this agreement shall be given by Registered Mail, Return Receipt Requested, address as follows:

If to Grantor: Orange and Rockland Utilities, Inc. Attention: Real Estate Department, One Blue Hill Plaza, Pearl River, New York 10965;

If to Grantee: Mirant Bowline, L.L.C., Attention: Mr. Mark S. Lynch, 400 Rella Boulevard, Suite 157, Suffern, New York 10901.

The date of deposit in a United States Post Office with the postage thereon prepaid shall be considered as the date of service or giving of the notice. Either party may change the place at which the notice shall be given hereunder to it by a notice served upon the other party in the same manner as herewith provided.

13. The failure of either Party to insist upon strict performance or any of the provisions hereof, or to exercise any right herein conferred upon it, in any one or more instances, shall not be construed as a waiver or relinquishment for the future of any provisions or rights, but the same shall remain in full force and effect.

14. This Easement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Easement nor any of the rights, interests, or obligations hereunder shall be assigned, except to an Affiliate of Grantee that owns the Bowline Point Generating Station without the prior written consent of the Grantor, said consent not to be unreasonably withheld or delayed.

"Affiliate" means with respect to a corporation, partnership, or other entity, each other corporation, partnership, or other entity that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such corporation, partnership or other entity.

EXHIBIT A

I **CENTERLINE PROPOSED OF 345 KV LINE THRU TAX LOT 26.06-6-75.**

All that certain plot, piece or parcel of land situate, lying and being in the Village of West Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the northerly right-of-way line of Route 202, said point being distant N59-08-34E, 84.44 feet as measured in an easterly direction along the northerly right-of-way line of Route 202 from a point located at the point of intersection formed by the northerly right-of-way line of Route 202 with the easterly right-of-way line of Sand Street; running thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.06-6-75) the following five (5) courses and distances:

1) N13-16-52E, 745.63 feet;
2) on a curve to the right having a radius of 75.00 feet, an arc length of 58.53 feet;
3) N57-59-40E, 356.00 feet;
4) N83-59-17E, 45.63 feet;
5) N57-59-40E, 50.49 feet to a point on the southerly line of lands now or formerly of the Village of West Haverstraw (Tax Lot 26.06-6-71), also being the terminus of said 345 KV Line thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.06-6-75).

The foregoing is depicted on the attached "Map of Proposed Electric and Gas Pipeline, Southern Energy Bowline, L.L.C., Village of West Haverstraw, Town of Haverstraw, Rockland County New York, dated July 27, 2001 (Tax Lots 26.06-6-75)".

II **CENTERLINE OF 345KV LINE THRU TAX LOT 26.10-4-1.**

All that certain plot, piece or parcel of land situate, lying and being in the Village of West Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the southerly right-of-way line of Route 202-State Highway #1660, said point being distant the following two (2) courses and distances as measured in a northeasterly direction along the southerly right-of-way line of Route 202-State Highway #1660 from a point located at the point of intersection formed by the southerly right-of-way line of Route 202-State Highway #1660 with the easterly right-of-way line of Hirsh Drive:

A) N55-04-08E, 142.00 feet;

B) N60-03-18E, 77.38 feet; running thence thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-1-4) the following four (4) courses and distances;

1) on a curve to the right having a radius of 100.00 feet, an arc length of 30.18 feet;

2) S54-17-03W, 113.22 feet;

3) on a curve to the left having a radius of 100.00 feet, an arc length of 81.00 feet;

4) S07-52-31W, 214.44 feet to a point on the easterly right-of-way line of Hirsh Drive also being the point of termination of said centerline of 345KV Line thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.10-4-1).

The foregoing is depicted on the attached "Map of Proposed 345 KV Line, Mirant, Village of West Haverstraw, Town of Haverstraw, Rockland County New York, dated June 29, 2001 (Tax Lot 26.10-4-1)".

III A. **CENTERLINE OF 345KV LINE THRU TAX LOT 26.13-1-26.**

All that certain plot, piece or parcel of land situate, lying and being in the Town of Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the westerly line of lands now or formerly of the Palisades Interstate Park Commission (Tax Lot 26.13-1-24), said point being distant S13-29-06E, 19.06 feet as measured in a southerly direction along said line of lands now or formerly of the Palisades Interstate Park Commission (Tax Lot 26.13-1-24), from a point on the easterly right-of-way line of Central Highway located at the corner of lands now or formerly of the Palisades Interstate Park Commission (Tax Lot 26.13-1-24) and the northerly corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-26); running thence:

1) N70-41-54W, 13.30 feet thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-26) to a point on the easterly right-of-way line of Central Highway, also being the terminus of said centerline of 345KV Line thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-26).

B. CENTERLINE OF 345KV LINE THRU TAX LOT 26.13-1-18.

All that certain plot, piece or parcel of land situate, lying and being in the Town of Haverstraw, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the westerly right-of-way line of Central Highway, said point being distant an arc length of 31.07 feet on a curve to the left having a radius of 325.00 feet as measured along the westerly right-of-way line of Central Highway, from a point on the westerly right-of-way line of Central Highway located at the corner of lands now or formerly of the Palisades Interstate Park Commission (Tax Lot 26.13-1-24) and the northeast corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-18); running thence

A. N70-41-54W, 815.42 feet thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-18) to a point on the southerly right-of-way line of Route 202-State Highway #1660, also being the terminus of said ceterline of 345KV Line thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 26.13-1-18).

The foregoing is depicted on the attached "Map of Proposed 345 KV Line, Mirant, Town of Haverstraw, Rockland County New York, dated June 29, 2001 (Tax Lots 26.13-1-26 & 26.13-1-18)".

IV. CENTERLINE OF 345KV LINE ALONG AND THRU TAX LOT 32.07-1-34.

All that certain plot, piece or parcel of land situate, lying and being in the Town of

Ramapo, County of Rockland and State of New York. Being more fully bounded and described as follows:

BEGINNING at a point on the northwesterly right-of-way line of Route 202, said point being located at the southeast corner of lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 32.07-1-34) and the northeast corner of lands now or formerly of the State of New York (Tax Lot 32.00-1-11); running thence

1) N84-33-35W, 524.88 feet along the northerly line of lands now or formerly of the State of New York (Tax Lot 32.00-1-11); running thence thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 32.07-1-34) the following two (2) courses and distances:

2) on a curve to the right having a radius of 75.00 feet, an arc length of 94.54 feet;

3) N12-19-43W, 423.06 feet to a point on the southerly line of lands now or formerly of James W. McDade (Tax Lot 32.07-1-33), also being the terminus of said centerline of 345KV Line thru lands now or formerly of Orange & Rockland Utilities, Inc. (Tax Lot 32.07-1-34).

The foregoing is depicted on the attached "Map of Proposed 345 KV Line, Mirant, Town of Ramapo, Rockland County New York, dated July 19, 2001 (Tax Lot 32.07-1-34)".

EXHIBIT B

1. Easement granted by Garnerville Ice Co., Inc. to Rockland Light and Power Company dated August 13, 1952 and recorded in the Rockland County Clerk's Office on August 15, 1952 in Book 546 of Deeds at Page 492.

2. Easement granted by Garnerville Ice Co., Inc. to Rockland Light and Power Company dated January 6, 1949 and recorded in the Rockland County Clerk's Office on January 11, 1949 in Book 491 of Deeds at Page 69.

3. Easement granted by Garnerville Ice Co., Inc. to Rockland Light and Power Company dated August 13, 1952 and recorded in the Rockland County Clerk's Office on August 15, 1952 in Book 546 of Deeds at Page 498.

4. Easement granted by Garnerville Ice Company, Inc. to Rockland Light and Power Company dated March 13, 1951 and recorded in the Rockland County Clerk's Office on March 19, 1951 in Book 524 of Deeds at Page 457.

5. Easement granted by Quentin E. Lyle, Jr. and Robert W. Lyle to Orange and Rockland Utilities, Inc. dated May 11, 1971 and recorded in the Rockland County Clerk's Office on May 24, 1971 in Book 890 of Deeds at Page 315.

6. Easement granted by Shirl-Ann Construction Corp. to Orange and Rockland Utilities, Inc. dated May 12, 1971 and recorded in the Rockland County Clerk's Office on May 24, 1971 in Book 890 of Deeds at Page 318.

7. Easement granted by Walter A. Flachs and Agusta Flachs to Orange and Rockland Utilities, Inc. dated May 11, 1972 and recorded in the Rockland County Clerk's Office on May 25, 1971 in Book 890 of Deeds at Page 369.

8. Easement granted by Wilber W. Ward to Orange and Rockland Utilities, Inc. dated February 25, 1971 and recorded in the Rockland County Clerk's Office on February 26, 1971 in Book 887 of Deeds at Page 217.

9. Easement granted by Norman A. Tigh and Margaret A. Tigh to Orange and Rockland Utilities, Inc. dated March 9, 1971 and recorded in the Rockland County Clerk's Office on March 11, 1971 in Book 887 of Deeds at Page 679.

10. Easement granted by Joseph Waters and Anna Waters to Orange and Rockland Utilities, Inc. dated February 3, 1971 and recorded in the Rockland County Clerk's Office on February 22, 1971 in Book 887 of Deeds at Page 36.

11. Easement granted by John Silva and Kathleen Silva to Orange and Rockland Utilities, Inc. dated February 9, 1971 and recorded in the Rockland County Clerk's Office on February 22, 1971 in Book 887 of Deeds at Page 42.

12. Easement granted by Carlton C. Kane and Donna Kane to Orange and Rockland Utilities, Inc. dated February 17, 1971 and recorded in the Rockland County Clerk's Office on February 22, 1971 in Book 887 of Deeds at Page 33.

13. Easement granted by Frederick H. Viohl and Agnes J. Viohl to Orange and Rockland Utilities, Inc. dated March 18, 1971 and recorded in the Rockland County Clerk's Office on March 19, 1971 in Book 887 of Deeds at Page 1016.

14. Easement granted by Morris Wexler and Samuel Wexler to Rockland Light and Power Company dated March 30, 1951 and recorded in the Rockland County Clerk's Office on April 19, 1951 in Book 525 of Deeds at Page 586.

15. Easement granted by Joseph Dluzneski and Geraldine Dluzneski to Orange and Rockland Utilities, Inc. dated February 4, 1971 and recorded in the Rockland County Clerk's Office on February 22, 1971 in Book 887 of Deeds at Page 45.

16. Easement granted by Egon E. Hansen and Franciose Hansen to Orange and Rockland Utilities, Inc. dated February 3, 1971 and recorded in the Rockland County Clerk's Office on February 22, 1971 in Book 887 of Deeds at Page 39.

17. Easement granted by Churchill Park, Inc. to Orange and Rockland Utilities, Inc. dated December 3, 1966 and recorded in the Rockland County Clerk's Office on December 9, 1956 in Book 820 of Deeds at Page 21.

18. Easement granted by Ward Pavements, Inc. to Orange and Rockland Utilities, Inc. dated May 4, 1971 and recorded in the Rockland County Clerk's Office on May 13, 1971 in Book 889 of Deeds ate Page 977.

19. Easement granted by Thomas F. Patton and Ralph S. Tyler, Jr. as Trustees of the Property

of the Erie Lackawanna Railway Company to Orange and Rockland Utilities, Inc. dated May 6, 1980 and recorded in the Rockland County Clerk's Office on May 16, 1980 in Book 1043 of Deeds at Page 488.

20. Easement granted by Bella Fisher, Lillian Gayer, Philip Elkins, Mollie Lust and Sarah Yudowsky to Orange and Rockland Utilities, Inc. dated February 26, 1965 and recorded in the Rockland County Clerk's Office on March 15, 1965 in Book 788 of Deeds at Page 777.

21. Easement granted by Helen Borden to Orange and Rockland Utilities, Inc. dated March 12, 1965 and recorded in the Rockland County Clerk's Office on March 15, 1955 in Book 788 if Deeds at Page 774.

22. Easement granted by J.M.T. Realty Co., Inc. to Orange and Rockland Utilities, Inc. dated March 18, 1972 and recorded in the Rockland County Clerk's Office on March 23, 1972 in Book 906 of Deeds at Page 74.

23. Easement granted by Alfred Horlbeck to Orange and Rockland Utilities, Inc. dated January 19, 1971 and recorded in the Rockland County Clerk's Office on January 29, 1971 in Book 886 of Deeds at Page 313.

24. Easement granted by Paul White and Roseve White to Rockland Light and Power Company dated August 3, 1951 and recorded in the Rockland County Clerk's Office on August 13, 1951 in Book 531 of Deeds at Page 265.

25. Easement granted by Mount Ivy Trailer Park, Inc. to Orange and Rockland Utilities, Inc. dated March 5, 1971 and recorded in the Rockland County Clerk's Office on March 9, 1971 in Book 887 of Deeds at Page 560.

26. Easement granted by Prel Corporation to Orange and Rockland Utilities, Inc. dated February 25, 1971 and recorded in the Rockland County Clerk's Office on February 25, 1971 in Book 887 of Deeds at Page 168.

27. Easement granted by John McLean and Louise McLean to Orange and Rockland Utilties, Inc. dated August 9, 1971 and recorded in the Rockland County Clerk's Office on August

13, 1971 in Book 894 of Deeds at Page 745.

28. Easement granted by J. Adams Bruce to Rockland Light and Power Company dated June 21, 1951 and recorded in the Rockland County Clerk's Office on July 14, 1951 in Book 529 of Deeds at Page 646.

29. Easement granted to John C. Prozeller, Jr. and Cora M. Prozeller to Orange and Rockland Utilities, Inc. dated February 8, 1971 and recorded in the Rockland County Clerk's Office on February 9, 1971 in Book 886 of Deeds at Page 711.

30. Easement granted by Don Ettlinger to Orange and Rockland Utilities, Inc. dated March 20, 1971 and recorded in the Rockland County Clerk's Office on March 30, 1973 in Book 888 of Deeds at Page 267.

31. Easement granted by Alvin Goodman and Clara Goodman to Orange and Rockland Utilties, Inc. dated July 30, 1973 and recorded in the Rockland County Clerk's Office on August 3, 1973 in Book 932 of Deeds at Page 656.

32. Easement granted by John Burns and Mary Jane Burns to Orange and Rockland Utilities, Inc. dated March 30, 1971 and recorded in the Rockland County Clerk's Office on April 2, 1971 in Book 888 of Deeds at Page 458.

33. Easement granted by Michael J. Kennedy and Lorraine J. Kennedy to Orange and Rockland Utilities, Inc. dated March 26, 1971 and recorded in the Rockland County Clerk's Office on March 30, 1971 in Book 888 of Deeds at Page 264.

34. Easement granted by Burgess Meredith to Orange and Rockland Utilities, Inc. dated April 27, 1971 and recorded in the Rockland County Clerk's Office on May 4, 1971 in Book 889 of Deeds at Page 646.

35. Easement granted by Adelaide Ross Smith to Orange and Rockland Utilities, Inc. dated March 10, 1971 and recorded in the Rockland County Clerk's Office on March 11, 1971 in Book 887 of Deeds at Page 676.

36. Easement granted by Camp Williams to Rockland Light and Power Company dated November 23, 1951 and recorded in the Rockland County Clerk's Office on November 23, 1971 in Book 536 of Deeds at Page 28.

37. Easement granted by Charles Houldin to Orange and Rockland Utilities, Inc. dated August 2, 1971 and recorded in the Rockland County Clerk's Office on August 4, 1971 in Book 894 of Deeds at Page 197.

38. Easement granted by Camp Williams to Orange and Rockland Utilties, Inc. dated April 15, 1971 and recorded in the Rockland County Clerk's Office on April 29, 1971 in Book 889 of Deeds at Page 386.

39. Easement granted by Melvin Small and Nadine Small to Orange and Rockland Utilities, Inc. dated October 1, 1971 and recorded in the Rockland County Clerk's Office on October 7, 1971 n Book 897 of Deeds at Page 1010.

40. Easement granted by Melba C. Warbasse to Orange and Rockland Utilities, Inc. dated January 25, 1971 and recorded in the Rockland County Clerk's Office on January 26, 1971 in Book 886 at Page 119.

41. Easement granted by Frederick J. Gagne to Orange and Rockland Utilities, Inc. dated January 7, 1971 and recorded on January 12, 1971 in Book 885 of Deeds at Page 675.

42. Easement granted by Rita P. Miller to Orange and Rockland Utilities, Inc. and Consolidated Edison Company of New York, Inc. dated October 18, 1973 and recorded in the Rockland County Clerk's Office on March 21, 1974 in Book 944 of Deeds at Page 130.

J:\DATA\Client1\08351\Exhibit E to Settlement Agreement (O&R Electricity Easement).wpd

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EXHIBIT 3

14-16-4 (11/95)—Text 12

PROJECT I.D. NUMBER

617.20

Appendix C

State Environmental Quality Review

SEQR

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

PART I—PROJECT INFORMATION (To be completed by Applicant or Project sponsor)

1. APPLICANT/SPONSOR: ORANGE & ROCKLAND UTILITIES, INC.

2. PROJECT NAME: TRANSFER OF EASEMENTS

3. PROJECT LOCATION:
Municipality: Town of Haverstraw, Ramapo & Clarkstown
County: ROCKLAND

4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map)

Please see Exhibits, B, D, and E of the Settlement Agreement between Orange and Rockland Utilities,Inc., Mirant Bowline, L.L.C., Mirant Lovett, L.L.C., Mirant NY-Gen, L.L.C.and Hudson Valley Gas Corporation.

5. IS PROPOSED ACTION:
☒ New ☐ Expansion ☐ Modification/alteration

6. DESCRIBE PROJECT BRIEFLY:

Transfer of easements relating to Mirant Bowline, L.L.C.'s construction of Bowline Generating Station Unit No. 3.

7. AMOUNT OF LAND AFFECTED:
Initially 20 acres Ultimately 20 acres

8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS?
☒ Yes ☐ No If No, describe briefly

9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT?
☒ Residential ☐ Industrial ☐ Commercial ☐ Agriculture ☐ Park/Forest/Open space ☐ Other
Describe:

10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)?
☐ Yes ☒ No If yes, list agency(s) and permit/approvals

11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL?
☐ Yes ☒ No If yes, list agency name and permit/approval

12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION?
☐ Yes ☒ No

I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE

Applicant/sponsor name: ORANGE & ROCKLAND UTILITIES, INC Date: 10/25/01

Signature: John L. Carley

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

OVER

PART II—ENVIRONMENTAL ASSESSMENT (To be completed by Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR PART 617.4? If yes, coordinate the review process and use the FULL EAF.

☐ Yes ☐ No

B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.

☐ Yes ☐ No

C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)

C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic patterns, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:

C2. Aesthetic agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:

C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:

C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly

C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly.

C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly.

C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly.

D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CEA?

☐ Yes ☐ No

E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?

☐ Yes ☐ No If Yes, explain briefly

PART III—DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination and significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

☐ Check this box if you have identified one or more potentially large or significant adverse impacts which MAY occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.

☐ Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action WILL NOT result in any significant adverse environmental impacts AND provide on attachments as necessary, the reasons supporting this determination:

Name of Lead Agency

Print or Type Name of Responsible Officer in Lead Agency

Title of Responsible Officer

Signature of Responsible Officer in Lead Agency

Signature of Preparer (If different from responsible officer)

Date