

Appendix 7.4.TDI-NE.5

NECPL - Settlement Agreements and Stipulations

- NECPL - Agreement Between TDI-NE and Conservation Law Foundation (May 29, 2015)
- NECPL - Stipulation Between TDI-NE and Green Mountain Power Corp. (July 17, 2015)
- NECPL - Stipulation Between TDI-NE, VT DPS, VT ANR, and VT DHP (July 17, 2015)
- NECPL - First Amended Agreement Between TDI-NE and VELCO (July 24, 2015)
- NECPL - Stipulation Between TDI-NE and VELCO (July 28, 2015)
- NECPL - Stipulation Between TDI-NE and Burlington Electric Dept. (July 29, 2015)
- NECPL - First Amendment to Stipulation Between TDI-NE, VT DPS, VT ANR, VT DHP (July 29, 2015)
- NECPL - Host Town Agreement - Town of Benson, Vermont (June 10, 2015)
- NECPL - Host Town Agreement - Town of Ludlow, Vermont (July 2, 2015)
- NECPL - Host Town Agreement - Town of Alburgh, Vermont (June 2, 2015)
- NECPL - Lease Option with Vermont Agency of Transportation (July 17, 2015)
- NECPL - VFWD License for Access Area (March 17, 2015)

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric) Docket No. 8400
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

Agreement between Champlain VT, LLC and the Conservation Law Foundation

This Agreement (the “Agreement”), dated the 29th of May 2015, sets forth Agreements reached by the Conservation Law Foundation (“CLF”) and Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or “Petitioner”), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition in December 2014 with the Board requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

WHEREAS, under the proposed Project the electricity shipped through NECPL will be generated by hydro, wind, or other “renewable energy” sources (as defined under Vermont law) in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current to alternating current and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”); and

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”);

WHEREAS, CLF is a private, non-profit environmental membership organization dedicated to the protection and responsible use of New England's natural resources, including resources affected by the transmission of energy. CLF represents the interests of its members in ensuring that the degradation of the natural environment resulting from the development of transmission facilities and the transmission of energy through Vermont is minimized;

WHEREAS, CLF has intervened in the NECPL section 248 proceeding to protect its members' substantial interests in such matters as promotion of clean and cost effective power supply, ensuring energy resources reduce pollution and harmful environmental impacts including reducing greenhouse gas emissions that cause climate change, and protecting Vermont's air, water, and other natural resources and public investments; and

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Agreement, agree that the Board has sufficient information to determine that the Project will promote the general good and otherwise meet the criteria of section 248.

THEREFORE, in consideration of the foregoing and, provided that the PSB approves the Project consistent with TDI-NE's Petition and this Agreement, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. The Parties agree that the Board has sufficient information to approve the Project and issue an Order and Certificate of Public Good ("CPG") in this matter in accordance: (i) with the plans and specifications submitted with TDI-NE's petition; (ii) and with the terms and conditions of this Agreement, and any supplemental prefiled testimony and exhibits to be submitted by TDI-NE in connection with this Agreement.
2. Public Good Benefit Funds.
 - a. TDI-NE shall revise the public benefits plan contained in its section 248 filing such that the combined monetary value of the Lake Champlain Phosphorus Cleanup Fund, Lake Champlain Enhancement and Restoration Trust Fund, and Vermont Renewables Programs Fund is at least 75% greater than the combined value as initially proposed. For the avoidance of any doubt, the sum of these three funds as originally proposed under the section 248 Petition was \$162 million over a 40 year period, and the revised sum of the three funds would be at least \$283.5 million over the same period.
 - b. The Parties shall cooperate to develop a payment schedule that provides for greater annual payments during the initial years of operation, provided that the total Net

Present Value of the benefit payments will remain the same, using TDI-NE's weighted average cost of capital. With respect to the Lake Champlain Enhancement and Restoration Trust Fund, the first payment shall be \$1 million at the Project's financial close, and the second payment shall be \$1 million at the commencement of commercial operation.

- c. The Parties agree that the Public Good Benefit Funds, in conjunction with the other direct and indirect economic benefits enumerated in the section 248 Petition, are sufficient for the Board to find that the Project provides an economic benefit to the State and its residents under section 248(b)(4) and will promote the general good of the State under section 248(a)(2)(A). The Parties further agree that the Lake-related funds address potential concerns regarding the use of a public trust body of water for the Project, during both construction and operation.
3. Renewables Integration. TDI-NE agrees to establish an NECPL Renewables Integration Advisory Committee. TDI-NE, its supplier(s), CLF, developers of renewable energy projects in Vermont and other New England states, RENEW, the Department of Public Service, VELCO and a ISO-NE shall each be invited to serve on the Committee. The Committee would meet bi-annually or such other time period as they mutually agree, in order to consult about technical approaches to optimize and maximize the use of the Project for integration of regional renewable power. TDI-NE will use commercially reasonable efforts to implement reasonable recommendations of the Committee, provided TDI-NE is able to do so consistent with its contractual and regulatory obligations.
4. Oversight and Management of Lake Champlain Funds. Payments for the Lake Champlain Phosphorous Cleanup Fund shall be managed by the State of Vermont through the Clean Water Fund established under 10 V.S.A. § 1388 by Act No. __ (H.35, 2015/2016 Legislative Session). The Lake Champlain Enhancement and Restoration Trust Fund shall be managed by a new advisory board, to be established in a manner similar to the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust Fund for the Champlain Hudson Power Express Project, provided such structure is approved by the Public Service Board. CLF shall be appointed to the advisory board along with other governmental and non-governmental entities. Members of the advisory board shall be paid travel and meal expenses. TDI-NE shall submit a plan for implementation of the Lake Champlain Enhancement and Restoration Trust Fund as a post-CPG compliance filing for PSB review and approval. Prior to such submission TDI-NE shall consider any recommendations made by CLF regarding the structure, governance and membership.

5. Oversight and Management of Electric Ratepayer Payment. As provided for under Paragraph 1 of the executed Agreement between TDI-NE and VELCO dated December 4, 2014, “For each year, Vermont Transco LLC, acting directly or through [a special purpose entity], shall distribute all funds received from TDI-NE pursuant to this paragraph, net of any required taxes or costs incurred in administering this arrangement, for the benefit of retail ratepayers in the State of Vermont.” TDI-NE shall seek an amendment of the VELCO Agreement, and/or provide supplemental testimony, to provide the necessary details on the administration and reporting of these Vermont Electric Ratepayer payments, to establish that 100% of the payments less any required taxes or costs incurred by VELCO shall be transferred directly to Vermont electric retail customers.
6. Confirmation of Renewable Energy Attributes. TDI-NE shall file with the PSB, as a post-CPG compliance filing, all contracts (redacted to protect business confidential and trade secret information) with energy suppliers who will utilize the NECPL. The purpose of the filing shall be to confirm TDI-NE’s representations in the Petition that energy to be shipped on the NECPL will be from hydro, wind, or other “renewable energy” sources (as defined under Vermont law). In addition, TDI-NE will endeavor to obtain facility-specific information from its shipper(s) in order to track the source of energy shipped on the NECPL.
7. Enforcement of Agreement. The Parties agree that this Agreement is a valid binding contract with consideration provided by both parties. As part of any CPG requirement, all provisions of the Agreement shall be enforceable by the Public Service Board. In addition, the Parties agree that Section 2 (Public Benefit Funds) shall be separately enforceable in a court of competent jurisdiction, but only in the event that CLF can establish in such court that the PSB has failed or refused to materially enforce the CPG requirement(s) related to the Public Benefit Funds, or the PSB is prevented from doing so by an order of a court of competent jurisdiction. In the event CLF substantially prevails in obtaining a court order to enforce the CPG requirement(s) related to the Public Benefit Funds, TDI-NE agrees to pay CLF’s reasonable and verifiable attorney’s fees up to a maximum of \$50,000.
8. Changes to the Project. This Agreement pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact CLF’s rights hereunder, the Parties shall negotiate in good faith to amend the Agreement as necessary. The Parties acknowledge that should they fail to reach agreement to amend the Agreement, CLF may present its position to the Board concerning such Project changes, provided CLF otherwise acts consistently with this Agreement.

9. Other Provisions

- a. The Parties agree that they will jointly file this Agreement with the PSB on or before June 12, 2015.
- b. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Agreement.
- c. CLF agrees that any prefiled testimony and exhibits that it files in this proceeding shall be consistent with this Agreement and further that CLF agrees to not take actions during the section 248 proceeding to oppose the Project or otherwise undermine this Agreement. CLF further agrees to refrain from taking any actions or positions in any other state or federal regulatory or permitting proceedings that are specific to the Project or to TDI-NE's ownership or operation of the Project that would be inconsistent with this Agreement or would conflict with TDI-NE's construction and operation of the Project. The current list of such regulatory and permit proceedings is as follows, with the understanding that other Project-specific permits or regulatory approvals may be required prior to the commencement of construction:


PERMIT	RESPONSIBLE AGENCY
Presidential Permit and NEPA Review	U.S. Department of Energy
Section 404/Section 10 Permit	U.S. Army Corps of Engineers
Right of Way Permit (Section 1111)	VT Agency of Transportation; Towns of Benson, Ludlow, Alburgh
Certificate of Public Good (Section 248)	Vermont Public Service Board
Certificate of Public Good (Section 231)	Vermont Public Service Board
Lake Encroachment Permits (Lakes Champlain and Bomoseen)	VT Agency of Natural Resources
401 Water Quality Certificate	VT Agency of Natural Resources
Vermont Stream Alteration Permit	VT Agency of Natural Resources
Vermont Wetland Permit	VT Agency of Natural Resources
Operational Stormwater Permit	VT Agency of Natural Resources
Construction Stormwater Permit	VT Agency of Natural Resources
Vermont Floodplain Permit	VT Agency of Natural Resources


- d. In any proceedings other than TDI-NE's Project-specific permit and regulatory proceedings as provided for in section 9.c., and in keeping with the terms of this Agreement, CLF reserves its rights to present its views regarding electric transmission generally, funding processes for transmission projects, and potential

NECPL suppliers and their resources in whatever manner it chooses.

- e. The Parties agree that the Board should accept into evidence the prefiled direct and supplemental testimony and exhibits of TDI-NE. The Parties so move.
- f. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning any permit or other regulatory approval specific to the Project shall be consistent with this Agreement.
- g. This Agreement represents the entire Agreement between the Parties with respect to the Project. It may be modified only upon mutual written Agreement by the Parties and is subject to any necessary Board approvals.
- h. Other than as may be specifically provided herein, this Agreement shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Agreement shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Agreement or to enforce an order of the Board resulting from this Agreement.
- i. This Agreement should not be construed by any party or tribunal as having precedential effect on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings, the Parties reserve the right to advocate positions that differ from those set forth in this Agreement.
- j. The Parties agree that, should the Board fail to approve this Agreement in all material aspects, the terms set forth herein shall terminate and the Parties shall have the right to submit filings in this docket and the terms of this Agreement shall not be construed by any party or tribunal as having precedential impact on any testimony or positions that may be advanced in these proceedings. Any disputes arising under this Agreement shall be resolved by the Board under Vermont Law.

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By:  5/31/15
Donald Jessome
General Manager
Champlain VT, LLC d/b/a TDI New England

By:  5/29/15
Christopher Kilian
Vice President and Director
Conservation Law Foundation, Vermont

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric) Docket No. 8400
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

Stipulation between Champlain VT, LLC and Green Mountain Power Corporation

This Stipulation (“the Stipulation” or “Stipulation”), dated the 17th day of July, 2015, sets forth Stipulations reached by Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or Petitioner), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, and Green Mountain Power Corporation (“GMP”), collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition with the Board in December 2014, requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

WHEREAS, the electricity shipped through the NECPL will be generated by renewable energy sources in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current (“DC”) to alternating current (“AC”) and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”); and

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”); and

WHEREAS, TDI-NE and GMP have met and discussed the Project, including issues surrounding the construction of the overland route where it overlaps with GMP's distribution system;

WHEREAS, ISO-New England's ("ISO-NE") review process for the NECPL as an Elective Transmission Upgrade is ongoing, and the final System Impact Study (SIS) and I.3.9 approval is controlled by ISO-NE;

WHEREAS, ISO-NE will assume operational control of the Project once it is placed into service; and

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Stipulation, agree that the Project will promote the general good and otherwise meet the criteria of section 248, and consequently that the Board should approve TDI-NE's petition to construct and operate the NECPL.

THEREFORE, in consideration of the foregoing and, provided that the PSB approves the Project consistent with TDI-NE's Petition and this Stipulation, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. The Parties agree that, provided TDI-NE fulfills the terms of this Stipulation, the Project will promote the general good and otherwise meet the criteria of section 248(b)(3) and (b)(10), and consequently the Board should approve the Project and issue an Order and Certificate of Public Good ("CPG") in this matter in accordance: (i) with the plans and specifications submitted with TDI-NE's petition; (ii) and with the terms and conditions of this Stipulation.
2. The Parties agree that the Project may have adverse impacts on system stability and reliability (including impacts on GMP's subtransmission system) which have not yet been identified in a System Impact Study ("SIS").
3. The Parties agree to collaborate during the SIS process to facilitate the review of appropriate components of Vermont's subtransmission system in light of the fact that ISO-NE cannot recognize Vermont's lower voltage subtransmission system (69 kV, 46 kV and 34.5 kV) in its real-time monitoring system, and therefore, will not know when a potential adverse impact is threatening Vermont's subtransmission system. The parties further agree that GMP should be involved in the SIS process.

4. TDI-NE shall submit the final SIS and I.3.9 approval in the PSB proceeding as soon as they are individually available. If first available prior to the Board issuing a CPG for this project, then TDI-NE shall file them as evidence in the section 248 proceeding. If the final SIS and I.3.9 approval are not available at such time, TDI-NE and GMP agree that the CPG should include a condition requiring their submission as a post-CPG compliance filing.
5. TDI-NE and GMP will collaborate to design and implement in a timely fashion any mitigation strategies or system upgrades (“SIS Mitigation Measures”) necessary or required to avoid adverse effects on the reliability and stability of the GMP electric system as a result of contingencies identified in the SIS, including the following:
 - a. The SIS Mitigation Measures shall remediate all material adverse reliability and stability issues identified in the final SIS.
 - b. TDI-NE and GMP agree to the timely implementation of the SIS Mitigation Measures.
 - c. TDI-NE and GMP shall design and implement the SIS Mitigation Measures consistent with good utility practice with reference to suitable engineering studies, if appropriate, conducted in accordance with prudent engineering practice.
 - d. After the CPG is issued, TDI-NE shall establish a working group, including GMP and other affected Vernont utilities, to provide a forum for exchanging technical information and addressing construction issues of the Project.
 - e. Within thirty (30) calendar days of the submission by TDI-NE of the final SIS and I.3.9 approval in the PSB proceeding, GMP shall review the final SIS and the specified SIS Mitigation Measures, and shall notify TDI-NE within that 30 day period if GMP identifies system contingencies, system conditions and/or subtransmission facilities that: (a) were not examined or were not adequately examined, in GMP’s judgment in accordance with good utility practice, in the final SIS; and (b) should, in GMP’s judgment in accordance with good utility practice, be considered in a “Supplemental Subtransmission Study.” Such notice from GMP to TDI-NE shall include a proposed scope for the Supplemental Subtransmission Study, if such a study is required.
 - f. If GMP does not provide notice that a Supplemental Subtransmission Study is required, then TDI-NE shall have no further obligations under this Paragraph 5.

g. If a Supplemental Subtransmission Study is required:

- i. GMP, VELCO (and other Vermont utilities, as appropriate), and TDI-NE will meet within fourteen (14) calendar days of receipt of the proposed scope, and will discuss the details of the Supplemental Subtransmission Study.
- ii. TDI-NE will, at its sole expense, engage a qualified consultant, mutually agreeable to TDI-NE and GMP, to perform the Supplemental Subtransmission Study, with guidance and input from GMP and TDI-NE.

The Supplemental Subtransmission Study shall (i) be conducted in accordance with the scope agreed to by GMP and TDI-NE and in accordance with good utility practice, (ii) identify any additional adverse impacts on GMP's subtransmission system that were not identified in the final SIS or not adequately addressed in the final SIS in GMP's judgment in accordance with good utility practice and (iii) if such adverse impacts are identified, propose specific additional mitigation strategies for, and/or upgrades to, GMP's subtransmission system (such subtransmission mitigation strategies and subtransmission upgrades being "Supplemental Subtransmission Mitigation Measures") that would mitigate such additional adverse impacts.

TDI-NE and GMP will collaborate to design and scope the Supplemental Subtransmission Study, to review its progress and results at appropriate milestones and, upon its completion, to design and implement timely mitigation strategies or system upgrades ("Supplemental Subtransmission Mitigation Measures") necessary to avoid adverse effects on the GMP electric system identified in the Supplemental Subtransmission Study.

- iii. The qualified consultant shall provide GMP and TDI-NE with a copy of the draft Supplemental Subtransmission Study.
- iv. TDI-NE and GMP will, within fourteen (14) calendar days of receipt of the draft Supplemental Subtransmission Study, provide any comments to the selected consultant on the study or the proposed Supplemental Subtransmission Mitigation Measures.
- v. After receiving comments from GMP and TDI-NE, the selected consultant will prepare and issue the final Supplemental Subtransmission Study.

- vi. If the final Supplemental Subtransmission Study identifies any required Supplemental Subtransmission Mitigation Measures, TDI-NE and GMP will jointly design and implement those measures in the same manner, and subject to the same standards and conditions, as the SIS Mitigation Measures. Such joint design and implementation shall be conducted under a separate agreement between TDI-NE and GMP, if not otherwise set-forth in the Interconnection Agreement (IA) to which GMP is a party.
 - vii. The Supplemental Subtransmission Mitigation Measures shall not employ special protection schemes, network sectionalizing schemes (whether automated or procedural), nor the use of reactor chokes, unless GMP approves their use, and then only in the specific circumstances and locations approved by GMP, such approvals not to be unreasonably withheld or delayed.
6. The Parties acknowledge that separate governmental approval(s) may be required under section 248 or other state or federal regulatory programs for upgrades to subtransmission or transmission systems in Vermont required as a result of the NECPL (whether such upgrades are SIS Mitigation Measures or Supplemental Subtransmission Mitigation Measures). TDI-NE agrees to prepare all necessary application materials on GMP's behalf and subject to GMP approval. GMP agrees to file, and seek approval of all such petitions and applications within a reasonable time period, taking into account TDI-NE's project schedule which shall be provided to GMP by TDI-NE in a timely fashion. TDI-NE shall be responsible for all reasonable costs incurred by GMP for such regulatory proceedings, with periodic invoices to be provided to TDI-NE in a timely fashion. The Parties agree that TDI-NE's pending Petition can be acted upon by the Board, subject to the condition that construction cannot commence until such collateral section 248 approvals for the transmission and subtransmission upgrades are obtained. The Project shall not be commissioned until all SIS Mitigation Measures or Supplemental Subtransmission Mitigation Measures have been implemented at TDI-NE's cost.
7. TDI-NE shall be obligated to pay for all reasonable costs incurred by GMP to implement this Stipulation including but not limited to the costs of the SIS Mitigation Measures, the Supplemental Mitigation Measures, the SIS and SIS Mitigation Process, and the Supplemental Subtransmission Study Process. TDI-NE shall reimburse GMP for any and all costs it reasonably incurs in implementing this Stipulation including the hourly cost of employees, consultants and reasonable expenses.

8. Collaboration between GMP and TDI-NE. TDI-NE and GMP agree to collaborate on developing a future role for GMP in the implementation of the Project's Public Benefit Funds in a manner that dovetails with GMP's innovative programs in the areas of in-state renewable energy and environmental stewardship with respect to water quality. In addition, GMP agrees to serve on the NECPL Renewables Integration Advisory Committee as established under TDI-NE's agreement with CLF:

Renewables Integration. TDI-NE agrees to establish an NECPL Renewables Integration Advisory Committee. TDI-NE, its supplier(s), CLF, developers of renewable energy projects in Vermont and other New England states, RENEW, the Department of Public Service, VELCO and ISO-NE shall each be invited to serve on the Committee. The Committee would meet bi-annually or such other time period as they mutually agree, in order to consult about technical approaches to optimize and maximize the use of the Project for integration of regional renewable power. TDI-NE will use commercially reasonable efforts to implement reasonable recommendations of the Committee, provided TDI-NE is able to do so consistent with its contractual and regulatory obligations.

9. CPG Conditions. The Parties recommend to the Board that any CPG issued for this Project should include the following CPG Conditions:
- a. TDI-NE shall comply with the terms of this Stipulation.
 - b. If the final SIS and I.3.9 approval are not available prior to issuance of the CPG, TDI-NE shall submit the final SIS and I.3.9 approval to the Board for review prior to commencement of construction. In addition, if a Supplemental Subtransmission Study is prepared, TDI-NE shall file the final version of the study with the Board prior to the filing of GMP's 248 petition(s) as set forth in Paragraph 5.
 - c. TDI-NE shall be obligated to pay for all costs reasonably incurred by GMP to implement this Stipulation including but not limited to the costs of the SIS Mitigation Measures, the Supplemental Mitigation Measures, the SIS and SIS Mitigation Process, and the Supplemental Subtransmission Study Process. TDI-NE shall reimburse GMP for any and all costs it reasonably incurs in implementing this MOU including the hourly cost of employees, consultants, and reasonable expenses.
 - d. The Project shall not be commissioned until all SIS Mitigation Measures or Supplemental Subtransmission Mitigation Measures have been implemented at TDI-NE's cost.
 - e. TDI-NE shall, in accordance with good utility practice, cooperate and coordinate with GMP and other affected Vermont electric distribution, transmission and

subtransmission system owners, if any, during pre-construction and construction to mitigate and minimize any adverse impacts to GMP's facilities, customers, employees, and contractors, including but not limited to outages (which shall only be taken as a matter of last resort), facility relocations and impacts to GMP's ability to reliably and safely serve its customers.

- f. Prior to construction of the Project, TDI-NE shall undertake a process with GMP in which they will review on the ground and via detailed Project plans the entire overland Project where it coincides with GMP's facilities. During this process, all areas of potential adverse impacts to GMP's facilities, customers, and ability to reliably and safely serve those customers shall be identified and a mutually agreed upon Work Plan shall be developed by the parties in accordance with good utility practice. The Work Plan shall identify how each and every identified impact will be mitigated or avoided. Such mitigation measures include but are not limited to minimizing to the fullest extent possible outages to GMP customers, ROW acquisition, facility relocations, and alternative construction procedures. All reasonably incurred costs of the process, Work Plan, and mitigation measures shall be paid for by TDI-NE including any reasonably incurred costs for GMP employees, consultants, contractors, and expenses.
- g. TDI-NE shall, in accordance with good utility practice, cooperate and coordinate with GMP and other affected Vermont electric distribution, transmission and subtransmission system owners, if any, to ensure that operation of the Project does not cause adverse impacts to their distribution, transmission and subtransmission systems, *provided, however*, that TDI-NE shall at all times operate the Project in a manner that is consistent with ISO-NE's operating instructions. TDI-NE shall follow good utility practice and dig safe provisions in the maintenance and operation of the Project. Prior to undertaking any maintenance of the Project, TDI shall determine whether GMP facilities or customers may be impacted and provide reasonable advance notice of such maintenance. For any such maintenance, TDI-NE shall work with GMP to develop a mutually agreed upon Maintenance Plan subject to good utility practice to perform such maintenance in a manner that mitigates or avoids impacts to GMP's facilities, customers, or ability to safely and reliably serve such customers. Any and all reasonably incurred costs of such Maintenance Plan and mitigation measures shall be paid by TDI-NE including but not limited to reasonably incurred costs of GMP's employees, contractors, and consultants plus expenses.
- h. If, after construction of the Project, it is determined that there are adverse impacts attributable to the Project to GMP's facilities, customers or ability to safely and reliably serve its customers, that could not have been reasonably foreseen prior to construction, TDI-NE and GMP shall work collaboratively and subject to good utility practice, to mitigate such impacts at TDI-NE's sole expense.

10. Other Provisions

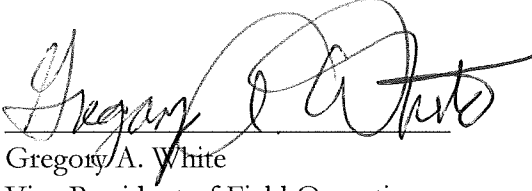
- a. Any disputes arising under this Stipulation shall be resolved by the Board under Vermont Law.
- b. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Stipulation.
- c. GMP will support issuance of a CPG by the Board and will not take actions during the section 248 proceeding to oppose the Project or otherwise undermine this Stipulation, provided that the terms of this Stipulation have been satisfied.
- d. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning the Project shall be consistent with this Stipulation.
- e. This Stipulation represents the entire Stipulation between the Parties with respect to the Project. It may be modified only upon mutual written Stipulation by the Parties and is subject to any necessary Board approvals.
- f. Other than as may be specifically provided herein, this Stipulation shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Stipulation shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Stipulation or to enforce an order of the Board resulting from this Stipulation.
- g. This Stipulation should not be construed by any party or tribunal as having precedential or any other impact on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings, the Parties reserve the right to advocate positions that differ from those set forth in this Stipulation.
- h. This Stipulation pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact any of GMP's rights or interests hereunder, TDI-NE and GMP shall negotiate in good faith to amend the Stipulation as necessary. TDI-NE and GMP acknowledge that should they fail to reach agreement to amend the Stipulation, each may present its position to the Board concerning such Project changes, provided each party otherwise acts consistently with this Stipulation.

- i. This Stipulation is expressly conditioned upon the Board's acceptance of all of its provisions, without material change or condition. If the Board does not accept the Stipulation in all material respects, the Stipulation shall, at the option of either party, be deemed to be null and void and without effect and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. In the event the Board makes such material modification or change and as a result TDI-NE or GMP exercises its option to void the Stipulation, each party shall be placed in the position that it enjoyed in this proceeding before entering into the Stipulation. Exercise of the option to terminate this Stipulation shall be by written notice delivered to the Board and the non-exercising party no later than ten days after issuance of a Board Order triggering the option.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]


DATED this 17th day of July, 2015

By: _____
Donald Jessome
General Manager
Champlain VT, LLC d/b/a TDI-New England

By: 

Gregory A. White
Vice President of Field Operations
Green Mountain Power Corporation

DATED this 17th day of July, 2015

By: 
Donald Jessome
General Manager
Champlain VT, LLC d/b/a TDI-New England

By: _____
Gregory A. White
Vice President of Operations
Green Mountain Power Corporation

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric) Docket No. 8400
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

**Stipulation between Champlain VT, LLC, the Vermont Public Service Department, the
Vermont Agency of Natural Resources, and the Vermont Division for Historic Preservation**

This Stipulation (the “Stipulation”), dated the 17th day of July, 2015, sets forth Stipulations reached by the Vermont Public Service Department (“PSD” or “Department”), the Vermont Agency of Natural Resources (“ANR” or “Agency”), the Vermont Division for Historic Preservation (“DHP”), and Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or Petitioner), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition in December 2014 with the Board requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

WHEREAS, TDI-NE asserts that the electricity shipped through NECPL will be generated by renewable energy sources in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

WHEREAS, the Department believes that in order to meet Vermont and New England energy and environmental policy goals, the NECPL should only ship renewable energy; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow, Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current (“DC”) to alternating current (“AC”) and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”);

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”);

WHEREAS, the Vermont Department of Taxes has determined that the portion of the Project in Lake Champlain is not subject to the statewide education property tax and is not generally subject to municipal property tax; and it is TDI-NE’s, the Department’s, and ANR’s understanding that the portion of the Project in Lake Champlain is not subject to any other impact fee, surcharge, tax, or other similar assessment imposed by the State of Vermont for the placement of the transmission line in Lake Champlain; and TDI-NE, ANR, and the Department recognize that these determinations affect project economics and have resulted in an increase to public benefit payments under this Stipulation; and TDI-NE, the Department, and ANR agree to explain to the Vermont General Assembly the mutual understanding related to project economics, the necessity in the public benefit payments in reaching this Stipulation, and the Board’s order should a legislative matter arise that affects the Parties understandings in reaching the terms of this Stipulation.

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Stipulation, agree that the Project will promote the general good and otherwise meet the criteria of section 248, and consequently that the Board should approve TDI-NE’s petition to construct and operate the NECPL.

STIPULATIONS

THEREFORE, in consideration of the foregoing and, provided that the PSB approves the Project consistent with TDI-NE’s Petition and this Stipulation, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. The Parties agree that provided TDI-NE fulfills the terms of this Stipulation, the Project will promote the general good and otherwise meet the criteria of section 248, and consequently the Board should approve the Project and issue an Order and Certificate of Public Good (“CPG”) in this matter in accordance: (i) with the plans and specifications submitted with TDI-NE’s petition; and (ii) and with the terms and conditions of this Stipulation and any supplemental prefiled testimony and exhibits to be submitted by TDI-NE in connection herewith.
2. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Stipulation.

3. Public Good Benefits.

- a. TDI-NE agrees to revise the public benefits plan contained in its section 248 filing as follows and as provided in more detail in Attachment I hereto:
 - i. VT Electric Ratepayer Benefit (through VELCO) – remains the same as in the section 248 Petition, i.e., an average of \$3.4 million/year for 40 years.
 - ii. VT Renewables Programs (through the CEDF) – a total of approximately \$109 million over a forty year period. The payments shall be \$5 million per year for the first 20 years and the balance payable evenly for the remaining 20 years. TDI-NE agrees to make payments to the Clean Energy Development Fund as reflected in Attachment I hereto, beginning on July 1 of the initial year of commercial operations of the Project and continuing annually thereafter for the subsequent 39 years.
 - iii. Lake Champlain Pollution Abatement and Restoration Fund.
 - I. TDI-NE agrees to deposit: (i) \$1 million on the fiscal close of the Project; (ii) \$6 million on July 1 of the initial year of commercial operations of the Project; and (iii) \$5 million on July 1 of each year thereafter for 39 years.
 - II. Funds shall be deposited into a dedicated account of the Clean Water Fund established pursuant to 10 V.S.A. § 1388. Funds deposited into this account shall be managed in accordance with and used for the purposes established in 10 V.S.A. Chapter 47, Subchapter 7 except that the use of the funds shall be limited to the Lake Champlain watershed.
 - III. ANR and TDI-NE may enter an agreement to accelerate payments to the Fund.
 - IV. If monies required by this Section 3.a.iii. are used for any purpose other than the purposes established by 10 V.S.A. Chapter 47, Subchapter 7 or as otherwise agreed to in writing by the Parties, TDI-NE shall not be required to make additional payments under this Section 3.a.iii.

iv. Lake Champlain Enhancement and Restoration Trust Fund

- I. There shall be established a Fund to be known as the Lake Champlain Enhancement and Restoration Trust Fund (“Fund”), established for the following purposes: (i) to promote recreational access to Lake Champlain; (ii) for acquisition and development of lands and facilities associated with municipal, state, and non-profit public recreation opportunities and habitat conservation within the Lake Champlain watershed; (iii) for recreational, cultural, historical, environmental, and educational activities, programs and opportunities associated with the Lake Champlain watershed; and (iv) to promote research and development and habitat restoration programs and projects related to the Lake Champlain watershed.
- II. The Fund shall be governed by an advisory entity called the Lake Champlain Enhancement and Restoration Trust Fund Advisory Board (the “Advisory Board”) to approve the expenditure of funds consistent with the purposes of the Fund. The Advisory Board shall consist of TDI-NE, the Conservation Law Foundation, the Commissioner of Forests, Parks, and Recreation, the Commissioner of Fish and Wildlife, one “at-large” representative chosen by the Governor, and two “at-large” representatives chosen by TDI-NE. When selecting its representatives, TDI-NE shall take into consideration regional diversity of members from the Lake Champlain Basin. With respect to the three “at-large” members, they shall serve staggered terms of three years with the Governor’s appointee serving an initial three year term and the TDI-NE appointees serving an initial one and two year term and then three year terms thereafter. The purpose of the Advisory Board is to establish policies, priorities, procedures, and guidelines for the use of the Fund, select the Administrative Agent, review funding proposals and consider and approve projects for funding, and direct the Administrative Agent (defined below) in the administration of the Fund consistent with its purposes.
- III. The Fund shall be administered by a not-for-profit entity selected by the Advisory Board (“the Administrative Agent”). The Administrative Agent shall manage the day to day functions of the Fund, provide administrative support to the Advisory Board, and make recommendations on the proper administration of the Fund for the

approval of the Advisory Board.

- IV. TDI-NE agrees to deposit to the Fund: (i) \$1 million on the closing of the construction financing of the Project; and (ii) \$1.5 million annually beginning on July 1 of the initial year of commercial operations and continuing annually thereafter for the subsequent 39 years. Monies deposited into the Fund shall be used for the purposes established in Section 3.b.iv.I. This section does not preclude loan structuring opportunities where the payments would be made to service any debt borrowed up front against the collateral of guaranteed ongoing payments. Further TDI-NE agrees to provide information to a TDI-NE qualified third party as may be necessary to borrow against the collateral of future payments.
 - V. The Advisory Board may enter into an agreement with TDI-NE to accelerate payments to the Fund.
 - VI. The administrative costs paid to the Administrative Agent and the Advisory Board shall be allocated from the Fund in an amount not to exceed a total of five (5) percent of the annual payment made to the Fund unless otherwise agreed to by the Advisory Board in writing. The Advisory Board shall consider existing organizations with experience in administering similar funds to assist in the administration of the Fund.
 - VII. TDI-NE shall, in consultation with the State, prepare an implementation plan for the Fund which, among other things, identifies the members of the Advisory Board and the Administrative Agent. The plan shall be submitted as a post-CPG compliance filing for PSB review and approval.
- b. The Department, ANR, and TDI-NE agree that these public good benefits, in conjunction with the other direct and indirect economic benefits enumerated in the section 248 Petition, demonstrate that the Project provides an economic benefit to the State and its residents under section 248(b)(4) and will promote the general good of the State under section 248(a)(2)(A).
 - c. TDI-NE and ANR acknowledge that the Stipulation between the Vermont Department of Fish and Wildlife (“DFW”) and TDI-NE allowing the use of the Korean Veterans Access Area in Alburgh to construct a portion of the Project

facilities will provide other public good benefits, including TDI-NE providing \$350,000 for a new boat ramp at the Access Area. TDI-NE agrees to abide by the terms and conditions of the license for the use of the Korean War Veterans Access Area.

- d. The Parties acknowledge that the Project may operate beyond the 40 year period that TDI-NE has estimated based upon the manufacturer's warranty, understanding that the CPG will not have an expiration date. The Parties further acknowledge that these benefit payments are being or may be used in several regulatory obligations of TDI-NE which are necessary for the completion of this Project. The Parties further acknowledge that the benefit fund payments due under this Stipulation are for a term of forty years, after which the Parties agree to negotiate in good faith regarding whether any additional payments are appropriate and if so in what amount and amendments to this Stipulation, subject to PSB review and approval.

4. Electrical System.

- a. TDI-NE and the Department acknowledge that ISO-New England's review process for the NECPL -- an Elective Transmission Upgrade -- is ongoing, and that the final System Impact Study (SIS) and I.3.9 approval is controlled by ISO-NE.¹
- b. TDI-NE and the Department agree that TDI-NE shall submit the final SIS and I.3.9 approval as soon as they are individually available. If the final SIS and I.3.9 approval are first available prior to the Board issuing a CPG for this project, then they shall be reviewed by the Board and Parties as part of this proceeding. If the final SIS and I.3.9 approval are not available at such time, TDI-NE and the Department agree that the CPG should be conditioned upon the Board review of each as a post-CPG compliance filing, subject to review and comment by the Department, VELCO, Green Mountain Power, and Burlington Electric Department regarding: (i) any issue germane to ongoing section 248(b)(3) compliance; or (ii) whether any identified subtransmission or transmission system upgrades require further review and/or approval by the PSB.
- c. The Parties agree that TDI-NE and/or the affected transmission system owners will initiate separate proceeding(s) under section 248, or section 248(j) as appropriate, for the transmission or subtransmission upgrades to be required in Vermont as a result

¹ TDI-NE will, after consulting with the DPS, file supplemental testimony from witness Larry Eng or another qualified witness that adequately addresses the issues raised in Bill Jordan's June 12, 2015 testimony, consistent with the schedule in this docket.

of the NECPL. The Parties further agree that TDI-NE's pending Petition can be acted upon by the Board, subject to the condition that construction cannot commence until those collateral section 248 approvals for the transmission and subtransmission upgrades are obtained. All collateral transmission or subtransmission upgrades shall be reviewed independently under the applicable section 248 criteria and no party to this Stipulation waives any of its rights to participate in, or raise issues in connection with, those separate proceedings. The Parties recognize that in order for the Project to proceed to construction and for the benefit payments to commence, any collateral section 248 proceedings for transmission or subtransmission upgrades will need to be conducted as expeditiously as possible. The Parties agree to use their best efforts to facilitate an appropriate, efficient, and time-sensitive review process.

- d. TDI-NE agrees that it will be obligated to pay for all transmission system and subtransmission system upgrades that are necessitated due to the Project, (i) as determined by ISO-NE pursuant to the interconnection process administered by ISO-NE; and (ii) those additional subtransmission upgrades as determined by Vermont Utilities and TDI-NE and approved by the Board. To the extent that Vermont Utilities and TDI-NE disagree that the subtransmission upgrades are necessary as a result of the NECPL, the Vermont utilities and TDI-NE will bring the dispute to the PSB. The Parties recognize that these upgrades may be different than the preliminary list provided by TDI-NE to the Department, and may require further review of the NECPL under PSB rules regarding amendments to a section 248 Petition if the upgrades materially change any finding or conclusion reached by the Board. TDI-NE cannot commercially operate the Project until the subtransmission mitigation measures are in service.
5. Environmental. TDI-NE and the Agency acknowledge that the review process for each of the underlying Agency permits is ongoing. However, based upon the currently available information in the Petition and in the Agency permit applications, the Agency agrees that the NECPL will not have an undue adverse effect under section 248(b)(5), subject to the following:
 - a. TDI-NE shall submit all Agency permits that have not been issued at the time the Board issues a CPG as post-CPG compliance filings prior to commencement of construction. Submission of such permits shall be for notice purposes only and shall not give rise to further review or proceedings by the Board provided that such permit or permits do not require any material or substantial changes to the Project that have not yet undergone Board review.

- b. TDI-NE agrees to the Project changes and CPG conditions specified in Attachment II.
6. Historic and Archaeological Resources. DHP has been involved with TDI-NE's consultation and outreach efforts beginning with the initial inter-agency scoping meeting in December 2013. DHP has reviewed the following documents from TDI-NE's Consultants: Phase I Archaeological Assessment in Support of the New England Clean Power Link Project-Lake Portion (November 2014); Phase IA Archaeological Reconnaissance Survey New England Clean Power Link Project-Overland Portion (November 2014); and Historic Architectural Reconnaissance Survey, New England Clean Power Link Project – Overland Portion, Grand Isle, Rutland-Windsor Counties, Vermont (November 2014). These documents and the prefiled direct testimony of Scott Dillon, James Duggan, Kristen Heitert, Stephen Olausen, and Christopher Sabick, provide baseline documentation of historic site concerns within the Project corridor. TDI-NE and DHP agree that provided that if all of the conditions in Attachment III regarding historic resources are met, the Project will not have an undue adverse effect on historic or archeological sites.
7. Proposed CPG Conditions

The Parties agree that the section 248 CPG should be conditioned as follows:

- a. Submission of final design plans for review/approval prior to construction.
- b. Compliance with all material representations made in the testimony and exhibits submitted to the PSB.
- c. Submission, for notice purposes only, of all other applicable state and federal permits that are required for construction of the Project. If any other permit reflects material changes to the Project as submitted prior to issuance of the CPG, such permit(s) shall be subject to Board review after comment by the Parties.
- d. If the final SIS and I.3.9 approval were not reviewed by the Board and the Department prior to issuance of the CPG, TDI-NE shall submit the final SIS and I.3.9 approval to the Board and Department for review prior to commencement of construction. TDI-NE shall be responsible for the costs of the transmission system and subtransmission system upgrades in Vermont that are necessary in order to address adverse impacts to system stability and reliability due to the Project, as

determined by ISO-NE pursuant to the interconnection process administered by ISO-NE.

- e. Construction schedule. Construction hours will be from 7:00 A.M. to 7:00 P.M. Monday through Friday and from 8:00 A.M. to 6:00 P.M. Saturdays. All construction activities and related deliveries shall cease on Sundays and state and federal holidays. TDI-NE may extend its construction hours as follows: (i) 24 hours per day seven days per week on the Lake during the construction window as identified in Attachment II (ANR Conditions); (ii) extenuating circumstances, beyond TDI-NE's reasonable control, that necessitate after-hours work to protect public safety, worker safety, and/or the convenience of the travelling public; (iii) certain horizontal directional drilling ("HDD") operations that may require extended hours in order to complete the operation; (iv) other extensions to the schedule for good cause, provided the Board approves them in advance.
- f. Noise limits. Consistent with recent Board precedent, sound levels due to operation of the converter station will be measured at the exterior of the nearest surrounding residence and shall not exceed 45 dBA Leq(1-hour) (day or night). Prior to operation of the Project, TDI-NE shall submit for Board approval, after review and comment by the Department, a noise monitoring plan to confirm the Project complies with the noise limits. The plan shall be prepared and implemented under the direction of a qualified noise control engineer. If noise levels exceed 45 dBA Leq (1-hour)(day or night), TDI-NE shall install mitigation measures to ensure compliance with the limit.
- g. Blasting Plan. Prior to commencement of construction of the Project, TDI-NE shall submit its final blasting plan for review and approval by the Board after comment of the parties. Any subsequent material changes to the plan will require further Board review and approval.
- h. Decommissioning. Prior to the commencement of construction, TDI-NE shall file for Board review and approval a decommissioning plan that provides for the off-site removal of the converter station building and all structural steel components and the restoration of the converter station site to a stabilized condition allowing for natural revegetation. TDI-NE shall also provide a cost estimate for the decommissioning activities as part of the plan. For the duration of the project, TDI-NE agrees to file each contract with the Public Service Board for the use of the transmission line within 30 days of execution (redacted or under seal as necessary to protect confidential business information) as evidence that the facility is in use, and therefore

that a decommissioning fund is not required. TDI-NE agrees to regularly monitor the contracts for use of the transmission line. If at any time TDI-NE's review of those contracts reveals that within two years, contracts for use of the transmission line will fall below 50% of total line capacity, TDI-NE will notify the Board and parties and the Board will initiate a proceeding to investigate the appropriateness of establishing a decommissioning fund. Should the Board determine that a decommissioning fund should be established, the decommissioning plan and cost figures shall be updated and TDI-NE shall be obligated to fully fund the decommissioning fund, either through a letter of credit or other financial mechanism acceptable to the Board, on a schedule established by the Board during that proceeding. Failure to use the converter station, other than during planned or unplanned outages or repairs, for a period of eighteen consecutive months, shall trigger Board review of whether the converter station should be decommissioned.

- i. Other special conditions concerning specific environmental or historic resources.
- j. This Stipulation, including all Attachments, shall be enforceable under the CPG.
- k. All host town agreements entered into by TDI-NE shall be enforceable under the CPG.
- l. Prior to operation of the Project, TDI-NE will become a member of Dig Safe System, Inc. and for the life of the project shall comply with the requirements of 30 V.S.A. Chapter 86 and PSB Rule 3.800.
- m. Prior to operation of the project, TDI-NE will file an underground damage prevention plan with the Department.
- n. Six months prior to the termination of the initial supply contracts for the Project, TDI-NE shall negotiate in good faith with the Vermont electric distribution utilities for up to 200 MW of transmission service on the NECPL for a term of up to 20 years. The price of such transmission service shall be determined at that time and shall be generally consistent with market prices; however, the price offered to Vermont utilities shall not exceed the price of transmission service for a contract of similar size and scope executed in the prior three years.
- o. Confirmation of Renewable Energy. Prior to commencement of construction, TDI-NE shall file all contracts with energy suppliers who will utilize the NECPL. The purpose of the filing shall be solely to confirm TDI-NE's representations in the

Petition that energy to be shipped on the NECPL will be from hydro, wind, or other “renewable energy” sources, as defined under Vermont law. TDI-NE may submit redacted versions of such contracts to protect pricing and other business confidential and trade secret information.

p. Aesthetics conditions:

- i. TDI-NE shall minimize tree removal along the entire route to the greatest extent practicable.
 - ii. TDI-NE shall take reasonable precautions during construction to limit impact to nearby trees and shrubs on private property. If trees or shrubs on private property are damaged due to construction, TDI-NE shall be responsible for replacements for a three year period after construction.
 - iii. At Shunpike Road, Shrewsbury, Vermont TDI-NE shall coordinate the tree planting plan with the property owner immediately adjacent to the Project, to the extent they agree to become involved, as well as with the local planning commission and/or conservation commission. If neither the landowner nor the local planning commission and or conservation commission elect to become involved in the tree planting plan for this location, TDI-NE will confer with the aesthetics consultant for the PSD to reach agreement on an appropriate aesthetic landscape mitigation plan for this location
 - iv. The converter station building shall be dark brown or dark gray in color. Other ancillary structures at the converter station site that are fabricated from galvanized steel (similar to the equipment and structures at the Coolidge Substation) are not required to be painted.
 - v. TDI-NE will conduct a post-construction site visit, in conjunction with the Department, to determine if additional mitigation in the form of vegetative screening is necessary at the converter station.
- q. No later than January 1st of the 37th year of commercial operation of the Project, TDI-NE shall enter into discussions with ANR and the DPS, and shall negotiate in good faith, regarding continued payment of public good benefits and/or other amendments to the Stipulation (dated July 17, 2015) in the event commercial operation of the Project extends beyond the 40th year. No later than January 1 of the 39th year of commercial operation of the Project, TDI-NE shall file with the Board for review and approval a plan regarding the extension of benefit fund payments

beyond the 40th year of commercial operations. In the event this plan does not reflect an agreement reached with ANR and DPS, TDI-NE shall provide an explanation of the efforts it made to engage in good faith negotiations, and the Board shall open a docket and establish a schedule to determine: (i) whether continued public good benefits are appropriate; and (ii) a plan for the continued payment of public good benefits if determined appropriate. TDI-NE, ANR and DPS shall automatically be parties to the docket. TDI-NE shall be authorized to continue to operate the Project beyond the 40th year during and after the proceedings concerning the public good benefits, provided that if payment of public good benefits ultimately are approved by the Board they shall be applied retroactively beginning in the 41st year of operation of the Project.

8. Other Provisions

- a. The Parties agree that the Board should accept into evidence the prefiled direct and supplemental testimony and exhibits of the Parties. The Parties so move.
- b. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning the Project shall be consistent with this Stipulation.
- c. The Parties acknowledge that this Stipulation does not concern regulatory decisions on any applications filed by TDI-NE for environmental permit programs administered by ANR or any of its departments.
- d. This Stipulation represents the entire Stipulation between the Parties with respect to the Project. It may be modified only upon mutual written Stipulation by the Parties and is subject to any necessary Board approvals.
- e. Other than as may be specifically provided herein, this Stipulation shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Stipulation shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Stipulation or to enforce an order of the Board resulting from this Stipulation.
- f. This Stipulation should not be construed by any party or tribunal as having precedential or any other impact on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings,


the Parties reserve the right to advocate positions that differ from those set forth in this Stipulation.

- g. This Stipulation pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact any of the agreements contained in this Stipulation, the Parties shall negotiate in good faith to amend the Stipulation as necessary. The Parties acknowledge that should they fail to reach agreement to amend the Stipulation, any Party may present its position to the Board concerning such Project changes, provided such Party otherwise act in conformance with this Stipulation consistent with its statutory duties.
- h. In the event of any disagreement over the interpretation of this Stipulation or the implementation of any provision of this Stipulation that cannot be resolved informally amongst the Parties, the disagreement shall be resolved in the following manner:
 - i. The Parties shall meet and make a good faith effort to resolve any dispute. The Parties shall consider the use of alternative dispute resolution to resolve any dispute.
 - ii. If the dispute cannot be resolved by the Parties, any Party can petition the Board for the resolution of the matter.
- i. TDI-NE agrees to submit a section 231 Petition to the Board within 30 days of receiving section 248 approval of the Project.
- j. This Stipulation is expressly conditioned upon the Board's acceptance of all of its provisions, without material change or condition. If the Board does not accept the Stipulation in all material respects, the Stipulation shall, at the option of any party, be deemed to be null and void and without effect, and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. In the event the Board makes such material modification or change and as a result a party exercises its option to void the Stipulation, each Party shall be placed in the position that it enjoyed in this proceeding before entering into the Stipulation. Exercise of the option to terminate this Stipulation shall be by written notice delivered to the Board and the Department no later than ten days after issuance of a Board Order triggering the option.

- k. Any disputes arising under this Stipulation shall be resolved by the Board under Vermont Law.
- l. Each of the state agency parties to this Stipulation will support issuance of a CPG by the Board, and will not take actions during the section 248 proceeding to oppose the Project or otherwise undermine this Stipulation, subject to each such Party's obligations under any applicable state law including without limitation the Department's obligations under Title 30 of the Vermont Statutes Annotated.
- m. This CPG shall not be transferred without prior notice to all docket parties and approval of the Board.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

DATED this 17th day of July, 2015

By: 
Andrew N. Raubvogel
DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND, PLLC
Attorneys for TDI New England

By: _____
Sheila Grace
Vermont Public Service Department
Special Counsel

By: _____
Donald Einhorn
Vermont Agency of Natural Resources
Legal Counsel

By: _____
Dale Azarai
Vermont Division for Historic Preservation
Legal Counsel

DATED this 17th day of July, 2015

By: _____
Andrew N. Raubvogel
DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND, PLLC
Attorneys for TDI New England

By: Sheila Grace (je)
Sheila Grace
Vermont Public Service Department
Special Counsel

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By: _____

Andrew N. Raubvogel

DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND, PLLC

Attorneys for TDI New England

By: _____

Sheila Grace

Vermont Public Service Department

Special Counsel



By: _____

Donald Einhorn

Vermont Agency of Natural Resources

Legal Counsel

By: _____

Dale Azarai

Vermont Division for Historic Preservation


Legal Counsel

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By: _____
Andrew N. Raubvogel
DUNKIEL SAUNDERS ELLIOTT RAUBVOGEL & HAND, PLLC
Attorneys for TDI New England

By: _____
Sheila Grace
Vermont Public Service Department
Special Counsel

By: _____
Donald Einhorn
Vermont Agency of Natural Resources
Legal Counsel

By:  _____
Dale Azarai
Vermont Division for Historic Preservation
Legal Counsel

PSB Docket No. 8400 – Stipulation Between TDI-NE, DPS, ANR, and DHP
Attachment I – Payment Schedule for Vermont Renewables Programs
(Section 3.a.ii. of Stipulation)

VT Renewables Programs	
Ops Year	Payment
1	\$5,000,000
2	\$5,000,000
3	\$5,000,000
4	\$5,000,000
5	\$5,000,000
6	\$5,000,000
7	\$5,000,000
8	\$5,000,000
9	\$5,000,000
10	\$5,000,000
11	\$5,000,000
12	\$5,000,000
13	\$5,000,000
14	\$5,000,000
15	\$5,000,000
16	\$5,000,000
17	\$5,000,000
18	\$5,000,000
19	\$5,000,000
20	\$5,000,000
21	\$443,125
22	\$443,125
23	\$443,125
24	\$443,125
25	\$443,125
26	\$443,125
27	\$443,125
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37	\$443,125
38	\$443,125
39	\$443,125
40	\$443,125

Docket No. 8400 – Stipulation Between TDI-NE, DPS, ANR and DHP

Attachment II – Environmental Conditions

I. Conditions Related to Section 248(b)(5) Natural Resources Criteria

RTE Wildlife Species

1. TDI-NE shall revise the avoidance and minimization plan (included in Exhibit TDI-GGM-2) for RTE species of special concern including the Timber Rattlesnake, Eastern Ratsnake, Eastern Ribbonsnake, Musk Turtle and Wood Turtle, which are potentially present within specific segments of the Project alignment. These revisions shall include provisions to address: (1) a step by step methodology to address any potential encounter with these species; (2) a general requirement for daily inspections at the beginning of the work day, at midday, and at the end of the workday, by a trained herpetologist (subject to the Agency's approval) when an open trench exists; (3) inspection reports that are submitted weekly to the Vermont Department of Fish and Wildlife ("DFW"); (4) in the segment of the overland route between MP 103 and MP 110, a requirement for a trained herpetologist (subject to the Agency's approval) to be on-site continuously during the work day as well as any time workers are present or machinery is being operated; and (5) identification of target areas for species other than the timber rattlesnake.

The revised avoidance and minimization plan may also provide for alternative measures should TDI-NE adopt the approach of seasonal avoidance of certain areas for site preparation and construction activities.

TDI-NE shall provide the Agency with proof of appropriate education, training and experience of the proposed herpetologist(s) and obtain the Agency's approval of the individual(s) to be utilized prior to any site preparation or construction activities.

2. TDI shall provide the revised RTE avoidance and minimization plan ("RTE Plan") to the Agency within 90 days of the execution of this MOU by all parties for the Agency's review and approval subject to the procedures specified in Section III of this Attachment. This plan shall apply to the section of the overland project route from the point it exits Lake Champlain to the common boundary line between the towns of Mount Holly and Ludlow in discrete sections of the route as identified in the RTE Plan. Per the RTE Plan TDI-NE shall obtain, prior to site preparation or construction activities in discrete sections of the route identified in the RTE plan, a Vermont Endangered and Threatened Species Takings Permit.

Bats

3. TDI-NE shall flag the 116 previously-identified potential Indiana Bat roost trees within the Towns of Benson, West Haven and Fair Haven prior to construction. These flags will indicate that these trees are not to be cut by TDI-NE or its contractors.

4. As part of environmental training during construction orientation, TDI-NE shall advise construction workers of the flag color for the previously identified potential Indiana Bat roosting trees and that such trees may not be cut by TDI-NE or its contractors.
5. If Project changes are proposed that would impact potential Indiana Bat roost trees, then TDI-NE shall conduct bat exit surveys of the impacted trees prior to construction within 100 feet of such trees, utilizing the following exit survey protocol:
 - a. The surveys shall be performed during the months of June and July in order to determine the presence of, or likely absence of use by, roosting Indiana bats.
 - b. For each potential roost tree proposed to be impacted, there shall be five detector nights of acoustic surveys aimed at the tree.
 - c. A minimum of one acoustic detector shall be placed so that the detection cone covers the bole of the tree from 10 feet high to canopy height. Typically this requires placing the detector 50-60 feet from the base of the tree with the microphone pointed at the proper angle.
 - d. At least four of the detector nights must consist of temperatures above 50 degrees Fahrenheit, winds less than 9 mph, and no sustained rainfall.
 - e. Acoustic survey results must be presented upon completion of each tree surveyed to the Vermont Fish and Wildlife Department for consultation prior to cutting any trees. As guidance, any potential roost trees meeting the following conditions for all of the acoustic survey nights will be determined to not have bats present:
 - i. No bat calls recorded; or
 - ii. No *Myotis* bat calls recorded during the dusk period (up to 2 hours after sunset) and dawn period (after 2 hours before sunrise).
 - f. The presence of roosting bats will be presumed for every tree for which *Myotis* bat calls have been recorded during the dusk or dawn periods. In order to overcome this presumption, TDI-NE shall perform emergence surveys consisting of three continuous nights of emergence surveys to establish the absence of roosting bats. The emergence surveys shall be conducted in accordance with the following:
 - i. The specific methodology for conducting emergence surveys is provided in the US Fish & Wildlife Service ("USFWS") 2015 Range-wide Indiana Bat Summer

Survey Guidelines, Appendix E Phase 4 Emergence Surveys – Emergence Surveys for Potential Roost Trees.

- ii. The emergence surveys shall be conducted by at least one person, and shall begin at least one-half hour before sunset and not end earlier than one hour after sunset.
 - iii. Data shall be recorded on the USFWS Bat Emergence Survey Datasheet provided in the Appendix.
- g. All survey work and acoustic data analysis shall be conducted by individuals trained in bat monitoring and acoustic identification, who shall be pre-approved by DFW. TDI-NE shall provide DFW with the identity of the proposed surveyors, and their qualifications, at least thirty days in advance of when approval is sought. Approval of qualified surveyors for which documentation of qualifications has been provided will not be unreasonably withheld.
6. Any potential roost tree for which the surveys indicate no bat use may be removed by TDI-NE at any time of year, provided such tree is less than 16 inches diameter at breast height. For any tree which is greater than 16 inches diameter at breast height and for which surveys indicate no bat use, TDI-NE may cut the tree within 10 days of the last emergence count or acoustic survey night, or during the winter period of October 1 to March 31.
7. No cutting of roost trees containing Indiana Bats shall occur unless DFW reviews the exit survey data and determines that the tree can be cut from October 1 to March 31.

Fisheries

8. TDI-NE shall bury the cable in all segments of Lake Champlain that are less than 150' deep unless utilities or rock are encountered and burial of the cable is impractical. In such circumstances, TDI-NE shall utilize concrete mats to cover the cable. Where concrete mats will be utilized, TDI-NE shall avoid spawning reefs and shoals unless the Agency determines that re-routing around spawning reefs or shoals would result in greater impacts to other environmental resources or agrees that it is infeasible due to water depths, geological conditions, or proximity to the NY border, the VT shoreline, or archaeological resources. Notwithstanding the foregoing, TDI-NE shall avoid the following spawning reefs and shoals entirely:

Reef or Shoal	NOAA Chart #	Location
Motte Reef	14781	44 deg 56', 73 deg 20'
Middle Reef	14781	44 deg 45.1', 73 deg 20'
Sister Shoal	14781	44 deg 44.9', 73 deg 20.7'
Hogback Reef	14782	44 deg 34', 73 deg 19.5'

Reef or Shoal	NOAA Chart #	Location
Colchester Reef and Shoals	14782	44 deg 33', 73 deg 20'
Saxton Reef	14783	44 deg 24', 73 deg 17'
Quaker Smith Reef	14783	44 deg 23', 73 deg 18'
Sloop I	14783	44 deg 18.5', 73 deg 19'
Scotch Bonnet	14783	44 deg 10.5', 73 deg 22.5'
Rock I	14783	44 deg 8.5, 73 deg 22.5'

9. TDI-NE may conduct route clearing and installation activities in Lake Champlain between MP 1 and MP 74 from June 1 to October 1. TDI-NE may conduct route clearing and installation activities between MP 74 and MP 98 from June 1 to December 31. Route clearing and installation activities are prohibited outside of the identified dates in the respective Lake segments. This installation schedule does not apply to the land to lake horizontal directional drill ("HDD") activities, provided that these HDD activities are conducted in a manner that prevents the introduction of sediments into, or creation of turbidity within, the Lake beyond the immediate vicinity of the in-water HDD entry point, and further provided that the in-water HDD activities do not occur before May 1 or after October 1 in the northern portion of the Lake.
10. Except as otherwise provided in paragraph 11 below, TDI-NE shall bottom-lay the cable and shall not conduct any pre-installation route clearing between MP 24.3 and MP 25 in order to reduce the potential for increased turbidity caused by sediment resuspension in the vicinity of the deep water intake that supplies the Ed Weed Fish Culture Station. TDI-NE shall adjust the route of the cable between MP 24.3 and MP 25 so that the cable will be located a minimum of 300 feet to the west of the deep water intake. The cable shall not be placed over the deep water intake, nor placed over the pipe between the deep water intake and the shoreline to the east.

This adjustment to the cable route will be reflected in the revised plans to be filed with the supplemental testimony, the Lake Champlain lake encroachment permit application, and the 401 Water Quality Certification application.
11. In the unlikely event that pre-installation route clearing and/or trenching of the aquatic cable is required between MP 24.3 and MP 25 as a result of water depths or lakebed conditions that are different than the conditions that TDI-NE anticipates based upon the studies TDI-NE has reviewed and research it has conducted to date, TDI-NE shall further adjust the cable route to the west by an additional 100 feet to provide a total buffer of 400 feet from the deep water intake.
12. TDI-NE shall comply with the following provisions for all work associated with the Project between MP 24.3 and MP 25, regardless of whether performing a bottom-lay of the cable, pre-

installation route clearing, trenching, or any other method of route preparation or cable installation. In every instance, TDI-NE shall follow the “Lake Champlain Construction Phase Water Quality Monitoring Program” to be incorporated as a condition of the Section 401 Water Quality Certification and the Lake Encroachment Permit, supplemented by the following:

- a. TDI-NE shall provide the Ed Weed Fish Culture Station Manager with a designated TDI-NE representative who shall be available at all times pre-installation route clearing and/or cable installation activities are being performed between MP 24.3 and MP 25. The TDI-NE representative shall be accessible by cell phone and by email, and shall have the authority to slow down, or halt, cable bottom-laying, pre-installation route clearing, or any other cable installation activities should turbidity levels be experienced at the Ed Weed Fish Culture Station that pose a risk to the Station’s operations.
 - b. TDI-NE shall monitor weather forecasts and weather events for the purpose of anticipating seiche events that are likely to cause turbidity entrainment into the hatchery deep-water intake while conducting Project activities between MP 24.3 and MP 25. The final Lake Champlain Construction Phase Water Quality Monitoring Program shall include specific measures for monitoring and corrective actions to address exceedances of an action threshold to be developed by ANR in consultation with TDI-NE between these mileposts.
 - c. Should any Project activities between MP 24.3 and MP 25 increase turbidity levels at the Ed Weed Fish Culture Station, whether alone or in conjunction with a seiche event, to a degree which results in fish mortality at the Station, then TDI-NE shall compensate the Agency at the rate of \$20.51 per pound of fish lost as a result of TDI-NE’s actions, up to a maximum of 48,000 pounds of fish.
13. TDI-NE shall provide 3 weeks’ notice to the Ed Weed Fish Culture Station manager in advance of any pre-installation or installation activities between MP 24.3 and MP 25, and shall provide the Station manager with the range of dates that such activities will be performed for this segment of the route. This notice shall include contact information for a TDI-NE Manager overseeing installation activities in Lake Champlain. TDI-NE shall also provide the Station manager with daily updates on the progress and status of the work on this segment as it proceeds.

Plants

14. TDI-NE shall have a qualified botanist re-delineate and clearly demarcate (utilizing fencing or an acceptable alternative) the previously identified RTE plant polygons within or adjacent to the construction work area prior to any site preparation or construction activities. TDI-NE shall update the plant survey prior to engaging in any site preparation or construction activities that occur more than three years beyond the actual date of the original inventory (Summer 2014).

The updated survey will be limited to areas with greater potential for RTE occurrences, such as wetlands, ledges, etc. TDI-NE shall work in consultation with ANR in defining the scope of the updated RTE plant survey. TDI-NE shall perform additional RTE plant surveys should any alterations of the cable route, or access points, have the potential to impact areas that were not part of the original plant survey.

15. If impacts to threatened or endangered plant populations are expected to occur, a takings permit will be required. With regard to rare plants, TDI-NE shall provide for avoidance and minimization, which may consist of: (1) narrowing the work area; and (2) using matting to cover rare plant populations, provided matting is in place for no longer than five days during the growing season. Should any matting be left in place for more than five days during the growing season, the population will be considered to have been impacted and mitigation shall be required in accordance with the following provisions. TDI-NE shall provide for mitigation should 20% or more of any rare plant population be impacted. Mitigation may take the form of transplantation of plants and rhizomes and/or seed collection and planting. The Short-stalked False Bindweed, plants, as well as rhizomes, shall be transplanted beyond the VTrans mowed area where they are visibly stressed. For the False Pennyroyal, seeds shall be collected in the year prior to any site preparation or construction activities taking place.

The provisions of Exhibit TDI-GGM-2 related to RTE plants shall be revised to incorporate and comply with the above conditions and will be provided to the Agency within 90 days of the execution of this Stipulation by all parties for the Agency's review and approval subject to the procedures specified in Section III of this Attachment.

16. The post-construction Vegetation Management Plan (Exhibit TDI-JAN-12) shall be revised to incorporate the following modifications: (1) all populations of RTE plants potentially impacted or directly adjacent to the project construction shall be monitored annually for a period of 5 years and any population that declines by 20% or more during that period will require remedial action to stem the decline; (2) consideration of, and coordination with, existing management plans of other entities that control the rights-of-way utilized by the Project; (3) TDI-NE shall re-delineate the 20 previously-identified RTE polygons along the Project corridor at least every 8 years for the entire life of the Project; and (4) where construction activity occurs in the immediate vicinity of RTE plants, seeding with conservation mix will be avoided and the area will instead be lightly mulched with certified weed free hay so as to facilitate recolonization by the RTE plants. The revised plan shall be provided to the Agency within 90 days of the execution of this Stipulation by all parties for the Agency's review and approval subject to the procedures specified in Section III of this Attachment.
17. The non-native invasive species plan (Ex. TDI-JAN-12) shall be revised to include the following: (1) the European Alder (*Alnus glutinosa*), Wild Chervil (*Anthriscus sylvestris*) and Narrow-Leaved Bitter-Cress (*Cardamine impatiens*) will be added for the purposes of NNIS

monitoring; (2) NNIS monitoring and control shall be performed in the vicinity of all identified RTE plant populations that may be impacted by Project related construction activities; and (3) TDI-NE shall take reasonable efforts to obtain permission from adjoining landowners to perform NNIS monitoring and control in proximity to the known RTE plant populations outside areas where TDI-NE retains permanent land control, if necessary. NNIS monitoring shall be performed for a period of three years following construction. The revised plan shall be provided to the Agency within 90 days of the execution of this Stipulation by all parties for the Agency's review and approval subject to the procedures specified in Section III of this Attachment.

Floodplains and River Corridors

18. TDI-NE shall amend its floodplain permit application to include alternative crossing methods for the proposed "over-culvert" crossings at MP 103.1 in Benson and MP 144.8 in Mount Holly.
19. The "over-culvert" crossing at MP 133.4 in Shrewsbury may remain as currently designed. TDI-NE shall place signage on both sides of the culvert indicating the presence of the cables and shall provide as-built information and location details regarding this culvert crossing to municipal road crews, first responders, VTrans, ANR, PSD and the Department of Emergency Management and Homeland Security. TDI-NE shall coordinate the specific design of this over-culvert crossing with VTrans prior to construction.
20. TDI-NE shall amend its floodplain permit application for the cable crossing of the Black River at MP 149.0 in Ludlow, at the East Lake Road Bridge, by proposing an alternative method of crossing the River (such as trenching beneath the River), or providing information that demonstrates that there is no practicable alternative to using the "aerial crossing method." If the aerial crossing method is the only practicable alternative, TDI-NE shall provide the Agency with anchoring specifications at least 90 days prior to commencement of construction of the Black River crossing which demonstrate that the cables will be able to withstand flood forces from the 1% and 0.2% annual chance flood events. Additionally, if TDI-NE demonstrates that the aerial crossing method is the only practicable alternative, TDI-NE shall place signage on both sides of the East Lake Road Bridge indicating the presence of the cables and shall provide as-built information and location details regarding the aerial crossing to municipal road crews, first responders, VTrans, ANR, PSD, and the Department of Emergency Management and Homeland Security.

Lake Champlain

21. Woody debris, trees, stumps, historical sawn logs, and rock and boulders encountered during route clearing activities or installation shall be left in Lake Champlain whenever feasible, but outside of the installation corridor and any sensitive habitats identified by ANR in advance of construction. TDI-NE shall consult with ANR and develop a plan for the return of trees,

stumps, historical sawn logs, and boulders that TDI-NE anticipates having to remove from the Lake during route clearing activities. The plan shall ensure the resources are placed back in the Lake outside of the installation corridor and any sensitive habitats identified by ANR in advance of construction. TDI-NE shall provide the plan to ANR for review and approval, subject to the procedures specified in Section III of this Attachment, at least 90 days prior to commencing route clearing activities.

22. TDI-NE has provided 20% design plans of the Lake route in its Section 248 Petition. After issuance of the CPG, TDI-NE intends to conduct further physical investigations of the Lake route in order to prepare the “final design” plans and bid documents, and may make adjustments to the route based on such investigations. After these investigations TDI-NE shall provide ANR with the draft final design plans and shall identify and assess all potential impacts to natural resources associated with the final design route changes. ANR and TDI-NE agree to consult on the Lake route changes prior to submission of the final design plans to the PSB, taking into account the potential impacts as well as project-related constraints including proximity to the VT shoreline, the NY borders, shallow water, geological conditions, and archaeological resources. The Parties acknowledge that ANR shall retain its independent authority under its own permitting programs.
23. TDI-NE shall provide a detailed description of the current condition of the bank located on the parcel of land in Benson near the lake-land transition in Benson, and shall consult with ANR and produce a restoration and long-term maintenance plan for this area that reestablishes bank stability and shoreline habitat. TDI-NE shall provide the plan to ANR at least 90 days prior to commencement of construction, subject to the procedures specified in Section III of this attachment.

Greenhouse Gases

24. On an annual basis, TDI-NE shall submit a report to the VT PSB that will summarize the amount of megawatt hours shipped on the line. TDI-NE shall provide the Agency with a copy of this report at the same time it is submitted to the Public Service Board. In addition to complying with Section 7(o) of the Stipulation (Confirmation of Renewable Energy), TDI-NE shall provide the Agency, and include in this report, the following information related to the energy shipped on the line: (1) the country of origin; (2) the annual throughput on the Project in megawatt hours, by producer; and (3) for each producer, their generation portfolio percentages by category (e.g. wind, hydro, etc.) for the report period year. The report will be due March 1 of each year the Project is operational, commencing after the first year of operation.
25. TDI-NE shall take commercially reasonable efforts to procure circuit breakers that do not contain SF₆. If non SF₆ breakers are identified that are suitable for the Project, TDI-NE shall consult with ANR prior to procurement to confirm that the greenhouse gas-related impacts

would be reduced, and that there are no other known unacceptable environmental impacts associated with the alternative.

26. In the event that SF₆-containing breakers or other equipment are utilized, TDI-NE shall participate in the U.S. Environmental Protection Agency's ("US EPA") SF₆ Emissions Reduction Partnership for Electric Power Systems on an ongoing basis while the breakers, or other equipment, are present. Copies of reports provided to the US EPA shall also be provided to ANR. TDI-NE shall develop and implement best practices in circuit breaker installation, operation, maintenance, and decommissioning to prevent and minimize releases of SF₆ to the atmosphere. TDI-NE shall utilize state-of-the-art SF₆ monitoring systems (e.g., temperature-compensated gauges to minimize measurement discrepancies, etc.) to accurately monitor the condition of the breakers and automatically be alerted to SF₆ leaks.

Blasting (Groundwater)

27. TDI-NE shall avoid the use of initiators that contain perchlorate, and shall not utilize perchlorate in connection with Project blasting activities.
28. TDI-NE shall revise its blasting plan (Exhibit TDI-JMB-10) to incorporate as requirements the VT Department of Environmental Conservation, Waste Management Prevention Division, Best Management Practices for Blasting to Avoid Environmental Contamination (Exhibit ANR-MBS-2).
29. TDI-NE does not anticipate that more than 5,000 cubic yards of bedrock will be blasted in a single work zone in connection with the Project. In the event TDI-NE determines that more than 5,000 cubic yards would need to be blasted in a single work zone, TDI-NE shall undertake an evaluation of the potential impacts to groundwater of such blasting and shall provide the evaluation, as well as its plan for conducting such blasting, to ANR at least 90 days before the blasting will need to take place for the Agency's review and approval, subject to the procedures specified in Section III of this Attachment.

Waste Management and Hazardous Materials

30. TDI-NE shall revise, as needed, the previously-submitted Overall Oil and Hazardous Materials Spill Prevention and Contingency Plan, or submit a stand-alone plan, to address overland construction activities, and shall submit the revised plan to the Agency at least 90 days prior to any site preparation or construction for the Agency's review and approval, subject to the procedures specified in Section III of this Attachment.

II. Conditions Related to Collateral ANR Permits

A. Acknowledgement and Identification of Collateral Permits

31. TDI-NE and ANR agree that TDI-NE shall obtain, prior to commencement of site preparation or construction of the Project, and comply with, the ANR permits specified below. TDI-NE and ANR further agree that any CPG issued by the Public Service Board will be conditioned on TDI-NE obtaining and complying with the ANR permits, and that the preceding Conditions Related to Section 248(b)(5) Natural Resources Criteria are neither intended to relieve TDI-NE of its responsibility to obtain the ANR permits nor limit in any way ANR's authority under applicable law to impose conditions in the collateral permits in order to ensure that Project impacts are avoided, minimized, or mitigated, to the extent required under applicable law governing the specific permitting programs. These ANR collateral permits include the following: a Vermont Stream Alteration Permit, a Vermont Construction Stormwater Discharge Permit, a Vermont Operational Stormwater Discharge Permit, a Vermont Wetlands Permit, a Vermont Flood Hazard Area & River Corridor Permit, two Vermont Lake Encroachment Permits (for Lake Champlain and Lake Bomoseen), a 401 Water Quality Certification, and a Vermont Endangered and Threatened Species Takings Permit.

This Stipulation does not relieve TDI-NE of the responsibility to comply with all other necessary federal, state, and local laws, regulations, and permitting requirements.

B. Water Quality Monitoring Plan

32. TDI-NE shall prepare a "Lake Champlain Construction Phase Water Quality Monitoring Program," which shall include the key elements of the water quality monitoring for the following in-lake activities: route clearing and cable installation. The water quality monitoring program shall be developed in consultation with ANR, subject to approval by ANR, and incorporated as a condition into TDI-NE's Vermont Lake Encroachment Permit and 401 Water Quality Certification. The Lake Champlain Construction Phase Water Quality Monitoring Program shall include, at a minimum, the following elements: identification of approved sampling and analytical equipment and methodologies for each method of cable installation in different locations of the lake (recognizing that different installation methods may have different potential impacts); timing and frequency of sampling including real time monitoring for suitably measured water quality constituents; target chemicals and substances for sampling; sample documentation and reporting requirements; water quality action thresholds; and corrective action requirements. The water quality action thresholds shall ensure protection of water quality and maintenance of applicable Vermont Water Quality Standard criteria. The corrective action requirements may contain a suite of actions including, but not limited to: slowing the pace of route clearing or cable installation, modifying equipment or techniques utilized and/or pausing work. At least 160 days prior to in-lake construction, TDI-NE shall submit a Lake Champlain Construction

Phase Quality Assurance Project Plan. The Plan will be consistent with the approved Lake Champlain Construction Phase Water Quality Monitoring Program.

C. Additional Permitting Items Raised in ANR's Pre-filed Testimony

33. In ANR's prefiled testimony, ANR raised the following issues, which TDI-NE agrees to address through the Lake Encroachment Permit and 401 Water Quality Certification processes:

During permit application review by ANR:

- a. TDI-NE shall revise the typicals related to coffer dams and receiver casings to provide more specific details on the installation and operation of these measures.
- b. TDI-NE shall provide additional information, to the extent available, regarding all existing uses that could be impacted by Project construction activities. TDI-NE does not plan to utilize any DFW access areas or other publicly-owned facilities for Lake construction activities except for the Korean War Veterans Access Area. If these plans change, TDI-NE shall seek, and obtain, prior approval from DFW or the applicable owner and shall update its Lake Encroachment Permit application accordingly.
- c. TDI-NE shall follow the "Aquatic Invasive Species Management and Control Plan" established by the Lake Encroachment Permit, which will be updated to address how it will inspect and, as appropriate, clean vessels that have been delayed one month or longer to avoid the transport of aquatic invasive species as well as how it will ensure bilge water in such vessels will not transport aquatic invasive species. Additionally, as part of the Plan, TDI-NE shall provide to ANR for review and approval, subject to the procedures specified in Section III of this Attachment, a listing of the specific chemicals (including MSDS sheets and product information) and amounts of those chemicals it will use to clean the outside of its vessels to prevent the spread of aquatic invasive species. TDI-NE shall provide this listing to ANR at least 90 days prior to any vessel commencing transit to Lake Champlain.
- d. TDI-NE shall provide a post-construction thermal monitoring plan to ANR for review and approval, subject to the procedures specified in Section III of this Attachment. .

Prior to construction:

- e. TDI-NE shall supplement its HDD Inadvertent Return Contingency Plan with an Area Specific Plan.
- f. TDI-NE shall provide to ANR Safety Data Sheets and product information for drilling fluids to be used in the Lake HDDs.

- g. TDI-NE shall revise, as needed, the previously-submitted Overall Oil and Hazardous Materials Spill Prevention and Contingency Plan to address construction activities in the Lake.

III. Process for Review and Approval of Plans

- 34. Any plans subject to review and approval by the Agency under this Attachment shall be subject to the following procedures: within a reasonable period of time from submission of the plan, the Agency will approve the plan, approve the plan with modifications, or reject the plan. If the Agency rejects the plan, the Agency will provide TDI-NE with an explanation of the reasons why the plan was rejected and TDI-NE shall have the opportunity to revise the plan accordingly and resubmit it to the Agency for further review. The Agency will then approve the revised plan, provided it sufficiently addresses the reasons for rejection of the original plan. In all instances, the Agency will act reasonably with regard to the timeliness of its review and its approval or rejection of the plan. Should the Agency determine it is unable to approve the revised plan as submitted, the parties agree to work together in good faith to resolve the issues that are preventing plan approval.

[END OF DOCUMENT]

Docket No. 8400 – Stipulation Between TDI-NE, DPS, ANR and DHP
Attachment III – Conditions Regarding Historic Resources

I. General Conditions

1. All historic sites studies and assessments must be conducted by qualified consultants meeting the Secretary of the Interior's *Standards and Guidelines for Archeology and Historic Preservation - Professional Qualifications Standards*.
2. All archaeological studies, including but not limited to Phase I site identification, Phase II site evaluation, and Phase III data recovery investigations, or other mitigation proposals must follow the VDHP *Guidelines for Conducting Archaeological studies in Vermont (2002)* and any subsequent timely guideline revision, which include direct reference to applicable Secretary of Interior archaeological standards. TDI-NE's archaeological consultant must submit any archaeological scope of work to the VDHP for review and approval prior to initiation.
3. Any proposed change of use, repairs, alterations, or other treatments to any extant historic site, building, landscape and/or district must meet the Secretary of Interior's *Standards for Rehabilitation*.
4. Any sale, transfer of property or other conveyance of historic sites owned by TDI-NE within the Project area must be reviewed by VDHP and have the appropriate deed restrictions in place prior to disposition of a property. Please refer to "Historic Preservation Covenants – rev. 7/14/2014"
5. No known historic site or archaeologically sensitive area shall be subject to any project related disturbance prior to the completion of all required studies and the implementation of any necessary mitigation measures. Mitigation may include but is not limited to further site evaluation, data recovery, redesign of one or more proposed project components, or the implementation of specific conditions that may be imposed during construction.
6. TDI-NE shall conduct all appropriate studies in accordance with the above stipulations for any project component or project modification not currently within the Project area that result from Project design changes.

II. Underwater Resources

1. Subject to Section II.2, TDI-NE shall maintain a 40 meter (131ft) buffer or exclusion zone around known or suspected cultural resources that are found to be near the NECPL installation corridor.
2. TDI-NE shall prepare and implement one or more scopes-of-work in accordance with the above general conditions to address potential impacts to the three currently defined underwater historic sites that cannot be avoided by the NECPL underwater corridor. These sites are :
 - The Rouses Point Train Trestle
 - The Larrabees Point-Willow Point Train Trestle (VT-AD-1344) and its associated features
 - The Great Bridge between Fort Ticonderoga, NY and Mount Independence, VT (VT-AD-731).
 - a. At minimum, these three historic sites and associated structures shall be carefully documented before installation begins to record their current state of preservation and to pinpoint their locations in order to provide recommendations for the final design of the Project to avoid any significant impacts. The pre-construction work may include recommendations for additional documentation to mitigate unavoidable impacts. The historic sites shall be inspected after construction of the Project is complete to document the Project effects.
 - b. In the case of the Revolutionary War Great Bridge crossing between Ticonderoga New York and Mount Independence, Vermont, in addition to the pre-construction documentation, subsurface testing shall be carried out to identify, evaluate, and recover any significant cultural deposits located within the Project corridor.
3. TDI-NE shall attempt to adjust the Project corridor to avoid the three unverified sonar targets that have been found to lie within 40m of the installation corridor. In the event that avoidance is not feasible, TDI-NE's qualified underwater archaeological consultant shall conduct all necessary studies to evaluate and mitigate impacts to any significant underwater resource.
4. TDI-NE's underwater consultant will be granted access to any additional survey data recorded during the continuing design and engineering process for the

NECPL. This data will be examined for evidence of the presence of cultural resources not currently identified within or immediately adjacent to the Project corridor. This effort will include review of data from engineering level surveys of the corridor as well as that recorded during installation of the cable itself. Any identified or potential underwater resource documented shall be subject to all appropriate investigation protocols.

III. Overland Archaeological and Historic Resources

1. The VDHP has concurred with the Phase IA Archaeological Reconnaissance Survey New England Clean Power Link Project –Overland Portion (November 2014) prepared by the Public Archeological Laboratory, Inc. (PAL). The Phase IA study identified four known archaeological sites, four previously undocumented sites, and archaeologically sensitive areas within approximately 11.6 linear miles of the Project’s overland corridor and within four of the five work parcels. TDI-NE’s archaeological consultant shall conduct all necessary archaeological studies in these areas, and any subsequently identified archaeologically sensitive area, in accordance with the general conditions stipulated above. All archaeological work will be undertaken by TDI-NE in consultation with VDHP, and will be conducted in compliance with all applicable state and federal regulations.
2. Prior to commencement of construction of the Project, TDI-NE shall provide supplemental information to VDHP regarding the locations and intensity of proposed blasting near identified historic resources along the overland route. In the event that blasting will result in potential adverse effects on any historic resource, TDI-NE will consult with the VDHP to seek ways to avoid, minimize, or mitigate the effect.
3. TDI-NE will maintain the buildings and grounds of two State Register-listed properties it owns, the Fullam House and the Mott House, in an appropriate state of repair in order to prevent any deterioration from their present condition. In the event that any major physical changes are proposed, they will be done in accordance with the Secretary of the Interior’s Standards for Rehabilitation. If TDI-NE elects in the future to sell or otherwise transfer ownership of one or both properties, TDI-NE shall consult with VDHP in advance of any such sale or transfer.

**First Amendment to
AGREEMENT
BETWEEN
VERMONT TRANSCO LLC/VERMONT ELECTRIC POWER COMPANY, INC.
AND
TRANSMISSION DEVELOPERS, INC. NEW ENGLAND**

This First Amendment (“Amendment”) to the Parties’ December 2014 Agreement (“Agreement”) is made as of the 24th day of July, 2015 between Vermont Transco LLC and Vermont Electric Power Company, Inc., the managing member of Vermont Transco LLC (collectively referred to as “VELCO”), and TDI New England, Inc. (“TDI-NE” and with VELCO, the “Parties,” and each, a “Party”) in order to preserve the bargained-for benefits afforded by the original Agreement in the event that TDI-NE ultimately seeks to fund the Project in a manner that recovers Project costs from Vermont ratepayers. The Parties hereby amend the Agreement as follows, leaving all other provisions in the Agreement in full force and effect:

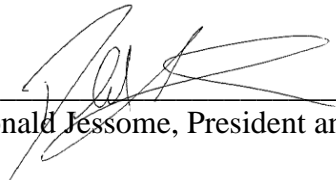
New Paragraph 16 is added:

“**16. Vermont Retail Electric Customer Benefit Protection.** To the extent that the Project is funded through the Federal Energy Regulatory Commission Order 1000 process, or another regional cost sharing mechanism, TDI-NE shall indemnify Vermont’s regionally allocated share of the costs to ensure that the net benefit identified in Schedule I accrues to Vermont’s retail electric customers, by making additional payments to Vermont Transco LLC. Vermont Transco LLC or the SPE shall distribute these additional funds in accordance with Paragraph 1 and the other relevant provisions of this Agreement. In the event that the FERC Order 1000 process or another regional cost sharing mechanism is utilized and for so long as Project costs are being recovered by such process or mechanism, these additional indemnification payments shall not be suspended. Paragraphs 5 and 6 shall apply to these payments. TDI-NE will not seek cost recovery for these additional indemnification payments whether under the ISO-NE Tariff or any other cost sharing mechanism that allocates costs to Vermont ratepayers.”

IN WITNESS WHEREOF the Parties hereto have caused their representatives to execute and deliver this Agreement as of the date hereinabove set forth.

Dated at Halifax, Nova Scotia this 24th day of July, 2015.

Transmission Developers, Inc.

By: 
Donald Jessome, President and CEO

Dated at Rutland, Vermont this 24th day of July, 2015.

Vermont Electric Power Company, Inc.
Vermont Transco LLC

By: 
Thomas Dunn, President and CEO

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric) Docket No. 8400
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

**Stipulation between Champlain VT, LLC
and Vermont Electric Power Company**

This Stipulation (“the Stipulation” or “Stipulation”), dated the 24th day of July, 2015, sets forth stipulations reached by Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or Petitioner), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, and Vermont Transco LLC and Vermont Electric Power Company, Inc. (together “VELCO”), collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition with the Board in December 2014, requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or the “Project”), a proposed electric transmission line; and

WHEREAS, the electricity shipped through the NECPL will be generated by renewable energy sources in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current technology, capable of transmitting 1,000 megawatts of electricity; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow, Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current to alternating current and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the VELCO; and

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way

(“ROWs”); and

WHEREAS, the Parties have entered into an Agreement dated December 4, 2014 as amended July 24, 2015 (the “Agreement”); and

WHEREAS, the Parties intend to place the Agreement, as amended, before the Vermont Public Service Board in Docket #8400 for the purpose of incorporating its provisions as conditions of the Certificate of Public Good (“CPG”) to be issued for the Project; and

WHEREAS, VELCO is one of the owners of seven existing electric transmission cables traversing Lake Champlain and linking the electric grids of the states of Vermont and New York, said cables being commonly referred to as “PV20;” and

WHEREAS, VELCO has determined that the existing PV20 installation should be removed and replaced by new cables substantially performing the same functions in substantially the same location (the “PV20 Project”); and

WHEREAS, TDI-NE and VELCO have met and discussed the Project, including issues surrounding the construction of the route where it overlaps with PV20;

WHEREAS, ISO-New England’s (“ISO-NE”) review process for the NECPL as an Elective Transmission Upgrade is ongoing, and the final System Impact Study (“SIS”) and I.3.9 approval is controlled by ISO-NE; and

WHEREAS, ISO-NE will assume operational control of the Project once it is placed into service; and

WHEREAS, TDI-NE has entered into stipulation agreements with Green Mountain Power Corporation (“GMP”), the Vermont Agency of Natural Resources, the Vermont Public Service Department (“DPS”), and the Vermont Division for Historic Preservation on July 17, 2015, regarding the Project and proposed conditions to be incorporated into a CPG issued for the Project;

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Stipulation, agree that TDI-NE has adequately resolved the issues raised by VELCO in its pre-filed testimony, subject to the Conditions set forth here, in the Agreement as amended, and in the other stipulation agreements referenced herein.

THEREFORE, in consideration of the foregoing and provided that the Board approves the Project consistent with TDI-NE’s Petition and this Stipulation, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. System Impacts.

- a. The Parties agree that the Project may have adverse impacts on system stability and reliability (including impacts on Vermont's transmission and subtransmission system) which have not yet been identified in a SIS.
- b. The Parties agree that so long as the terms and conditions stipulated by TDI-NE and GMP and by TDI-NE and DPS regarding the SIS process are incorporated into a CPG issued by the Board for this Project, issues raised by VELCO with regard to system impacts to Vermont's transmission system are satisfactorily addressed by TDI-NE with respect to the section 248 proceeding.
- c. The Parties agree that the protections extended to GMP in section 5 of the GMP Stipulation Agreement dated July 17, 2015, will apply to, in addition to VELCO and GMP, all other electric load-serving utilities in the State of Vermont.

2. PV20 Conditions.

- a. The Parties agree that, provided TDI-NE fulfills the terms of this Stipulation and the Parties' Agreement, as amended, the Project will not adversely impact the PV20 Project. Specifically, the Parties agree that the CPG should include the following conditions:
 - i. TDI-NE and VELCO (and other utilities if applicable) will consult and coordinate regarding those aspects of the Project and those aspects of the existing PV20 installation and the PV20 Project brought about by the need to accommodate the crossing of the cables (the "Works") and will create a working group for this purpose, such group to meet on a regular basis and to consist of appropriate engineering and project management personnel empowered to make decisions pertaining to the Works on behalf of TDI-NE and VELCO (and other utilities if applicable).
 - ii. TDI-NE will construct, maintain, repair, and operate the Project in accordance with Good Utility Practice and avoid causing construction delays or other adverse impacts to the PV20 Project.
 - iii. TDI-NE will construct the Project in a manner that allows the safe and efficient removal of the existing PV20 and its replacement in its entirety, i.e., by employing for this purpose an underwater bridge or bridges or an alternative design that VELCO (and other utilities if applicable) agrees will provide a similar level of protection, at TDI-NE's cost.

- iv. TDI-NE will reimburse VELCO (or its designee) for all reasonable costs it (or its designee) incurs in connection with its obligations set forth in paragraph 2.a(i) above, including, without limitation, its review of TDI-NE's Project plans.
- v. The Parties will cooperate to minimize costs related to construction, maintenance, and/or repair of the Works. TDI-NE will reimburse VELCO (and its designee, if applicable) for all reasonable costs attributable to TDI-NE's actions or inactions that are incurred by VELCO (or its designee) in connection with the removal of the existing PV20 and the construction, maintenance, and repair of the proposed PV20 Project; provided, however, that in the event that the need to perform repair, removal, or maintenance activities regarding the new PV20 is caused by the alleged negligence or other legally culpable act or omission of a third party, TDI-NE shall not be required to make the reimbursements required above if VELCO has been indemnified pursuant to contracts of insurance or other risk-sharing arrangements, which arrangements VELCO shall make commercially reasonable efforts to secure prior to commencement of the PV20 Project. Upon occurrence of such negligence or other legally culpable act or omission of a third party, VELCO will advise TDI-NE of such occurrence in a timely fashion and will pursue the claim of indemnity in due course, consulting with TDI-NE as appropriate.
- vi. TDI-NE will indemnify and hold harmless VELCO and any other project owner for any physical damage that the Project causes to the existing and proposed PV20 installation and will hold harmless and indemnify and (at VELCO's option) defend VELCO against any third party claims of any nature whatsoever arising out of the Project, and VELCO will hold harmless and indemnify and (at TDI-NE's option) defend TDI-NE against any third party claims of any nature whatsoever arising out of the existing or proposed PV20 installation.

3. Other Provisions

- a. Any disputes arising under this Stipulation shall be resolved by the Board under Vermont Law.
- b. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Stipulation.
- c. VELCO will not take actions during the section 248 proceeding inconsistent with this Stipulation, provided that the terms of this Stipulation have been satisfied.

VELCO also agrees that, provided TDI-NE fulfills the terms of this Stipulation and the Parties' Agreement, as amended, the issues raised by the testimony offered by VELCO in Docket #8400 have been resolved.

- d. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning the Project shall be consistent with this Stipulation.
- e. This Stipulation represents the entire Stipulation between the Parties with respect to the Project. It may be modified only upon mutual written Stipulation by the Parties and is subject to any necessary Board approvals.
- f. Other than as may be specifically provided herein, this Stipulation shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Stipulation shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Stipulation or to enforce an order of the Board resulting from this Stipulation.
- g. This Stipulation should not be construed by any party or tribunal as having precedential or any other impact on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings, the Parties reserve the right to advocate positions that differ from those set forth in this Stipulation.
- h. This Stipulation pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact any of VELCO's rights or interests hereunder, TDI-NE and VELCO shall negotiate in good faith to amend the Stipulation as necessary. TDI-NE and VELCO acknowledge that should they fail to reach agreement to amend the Stipulation, each may present its position to the Board concerning such Project changes, provided each party otherwise acts consistently with this Stipulation.
- i. This Stipulation is expressly conditioned upon the Board's acceptance of all of its provisions, without material change or condition. If the Board does not accept the Stipulation in all material respects, the Stipulation shall, at the option of either party, be deemed to be null and void and without effect and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. In the event the Board makes such material modification or change and as a result TDI-NE or VELCO exercises its option to void the Stipulation, each party shall be placed in the position that it enjoyed in this proceeding before entering into the Stipulation.

Exercise of the option to terminate this Stipulation shall be by written notice delivered to the Board and the non-exercising party no later than ten days after issuance of a Board Order triggering the option.

- j. This Stipulation does not amend the Agreement, and the Agreement shall be unaffected by the entering into the Stipulation, any action of the Board taken with respect to the Stipulation, or the termination of the Stipulation.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

DATED this 24th day of July, 2015

Champlain VT, LLC d/b/a TDI New England

By: 

Geoffrey H. Hand, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

Vermont Transco LLC
Vermont Electric Power Company, Inc.

By:

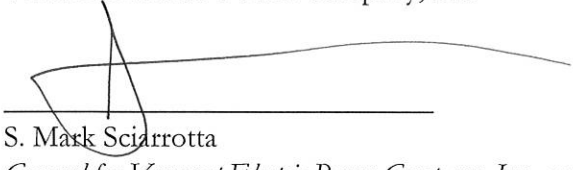
S. Mark Sciarrotta
Counsel for Vermont Electric Power Company, Inc. and Vermont Transco LLC

DATED this 24th day of July, 2015

Champlain VT, LLC d/b/a TDI New England

By: _____
Geoffrey H. Hand, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

Vermont Transco LLC
Vermont Electric Power Company, Inc.

By: _____

S. Mark Sciarrotta
Counsel for Vermont Electric Power Company, Inc. and Vermont Transco LLC

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric)
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

Docket No. 8400

Stipulation between Champlain VT, LLC and Burlington Electric Department

This Stipulation (“the Stipulation” or “Stipulation”), dated the 28th day of July, 2015, sets forth Stipulations reached by Champlain VT, LLC d/b/a TDI New England (“TDI-NE” or Petitioner), a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207, and Burlington Electric Department (“BED”), collectively, the “Parties,” in connection with the above-captioned Vermont Public Service Board (“Board”) docket.

WHEREAS, TDI-NE filed a Petition with the Board in December 2014, requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

WHEREAS, the electricity shipped through the NECPL will be generated by renewable energy sources in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

WHEREAS, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow, Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current (“DC”) to alternating current (“AC”) and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”); and

WHEREAS, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”); and

WHEREAS, ISO-New England's ("ISO-NE") review process for the NECPL as an Elective Transmission Upgrade is ongoing, and the final System Impact Study (SIS) and I.3.9 approval is controlled by ISO-NE; and

WHEREAS, ISO-NE will assume operational control of the Project once it is placed into service; and

WHEREAS, TDI-NE has entered into Stipulation agreements with Green Mountain Power Corporation ("GMP"), the Vermont Agency of Natural Resources ("ANR"), the Vermont Public Service Department ("DPS"), and the Vermont Division for Historic Preservation ("DHP") on July 17, 2015, and with the Vermont Electric Power Company ("VELCO") on July 24, 2015, regarding the Project and proposed conditions to be incorporated into a Certificate of Public Good issued for the Project; and

WHEREAS, the Stipulation agreement with DPS, ANR, and DHP provides for the establishment of a Lake Champlain Enhancement and Restoration Trust Fund Advisory Board ("Advisory Board") and affords TDI-NE the right to appoint two "at large" delegates to three year terms on such panel ("Delegate Seats"); and

WHEREAS, the Parties have engaged in discussions concerning the Project and, subject to the terms of this Stipulation, agree that the Project will promote the general good and otherwise meet the criteria of section 248, and consequently that the Board should approve TDI-NE's petition to construct and operate the NECPL.

THEREFORE, in consideration of the foregoing and, provided that the PSB approves the Project consistent with TDI-NE's Petition and this Stipulation, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. The Parties agree that, provided TDI-NE fulfills the terms of this Stipulation, the Project will promote the general good and otherwise meet the criteria of section 248(b)(3) and (b)(10), and consequently the Board should approve the Project and issue an Order and Certificate of Public Good ("CPG") in this matter in accordance: (i) with the plans and specifications submitted with TDI-NE's petition; (ii) with the terms and conditions of this Stipulation; (iii) and with the terms and conditions of the Stipulation agreements entered into by TDI-NE and GMP and by TDI-NE and DPS on July 17, 2015, and by TDI-NE and VELCO on July 24, 2015.

2. System Impacts.

- a. The Parties agree that the Project may have adverse impacts on system stability and reliability (including impacts on Vermont's transmission and subtransmission system) which have not yet been identified in a System Impact Study ("SIS").
- b. The Parties agree that so long as BED is allowed to participate in any SIS process associated with the Project and the terms and conditions stipulated by TDI-NE and GMP and by TDI-NE and DPS regarding the SIS process are incorporated into a CPG issued by the Board for this Project, issues raised by BED with regard to system impacts to Vermont's transmission system are satisfactorily addressed by TDI-NE with respect to the section 248 proceeding.
- c. The Parties agree that the protections extended to GMP in Section 5 of the GMP Stipulation Agreement dated July 17, 2015, will apply to, in addition to VELCO and GMP, all other electric load-serving utilities in Vermont.

3. Renewable Energy-Lake Cleanup Project

- a. The Parties agree that:
 - i. Producing local renewable energy and aiding in the cleanup of Lake Champlain are important goals for Vermont, and consistent with each Party's commitment to a cleaner planet;
 - ii. Renewable power technologies have the potential to meet both goals simultaneously, and developing such a commercially viable project is in the best interest of Vermont communities, especially those in the Lake Champlain watershed;
 - iii. BED, by virtue of its national leadership in sourcing renewable generation and proximity to Lake Champlain, has unique standing to explore new and existing renewable technologies that meet these dual goals.
- b. The Parties agree that TDI-NE will provide funding of up to \$750,000 (for a total project of \$1,500,000) to BED, subject to BED receiving approval of the Burlington City Council, over five years to study and/or develop a commercially viable generation solution in the BED service territory, or in a surrounding community, that meets the goals outlined in section 3(a) above. Following an initial contribution of \$200,000, which shall only occur after the date of financial close on the NECPL Project, TDI-NE will have discretion over subsequent distribution amounts and the timing thereof.

- c. The Parties agree that prior to receiving the first \$200,000 contribution from TDI-NE, BED must: (i) receive approval to accept funds from the Burlington City Council; (ii) establish a working group to discuss the terms and manner of TDI-NE's contribution; (iii) produce a project plan; and (iv) make matching funds available.
 - d. The Parties agree that this renewable generation project may serve as a pilot for communities across Vermont, and, as such, BED will seek input from and appropriately share its findings among those utilities, provided that commercially sensitive information is adequately protected through confidentiality agreements or other such protective measures.
 - e. As a project contributor, TDI-NE is entitled to access all information associated, financial or otherwise, with the project.
- 4. TDI-NE has been authorized to conduct an open solicitation process for NECPL's transmission capacity consistent with the requirements of the Federal Energy Regulatory Commission (FERC). The Parties agree that BED's extensive portfolio of renewable generator ownership and long term contracts may limit its ability to benefit from the Locational Marginal Price benefits of the Project. Therefore, to the extent that, at the conclusion of the open solicitation process, NECPL's transmission capacity has not been fully allocated, the Parties agree that, subject to any applicable FERC requirements:
 - a. Prior to the Project's commercial operation date the Parties shall initiate good faith negotiations for up to 30MW of transmission service on the NECPL for a term of up to 20 years.
 - b. The price of such transmission service shall be generally consistent with market prices; however, the price offered to BED shall not exceed the lowest price received by TDI-NE for transmission service over the NECPL as of the time that negotiations conclude.
 - c. TDI-NE shall provide BED notice of the availability of unallocated transmission capacity and BED shall have 45 days from the date of notice to accept up to 30 MW of transmission service at the lowest price received by TDI-NE for transmission service over the NECPL for a term of up to 20 years.
- 5. TDI-NE will, within the first ten years of the life of the Advisory Board, appoint a person recommended and designated by the City of Burlington to one of the two available Delegate Seats for a single term.

6. Other Provisions

- a. Any disputes arising under this Stipulation shall be resolved by the Board under Vermont Law.
- b. TDI-NE shall file supplemental testimony and exhibits that memorialize, as necessary, the conditions of this Stipulation.
- c. BED will support issuance of a CPG by the Board and will not take actions during the section 248 proceeding to oppose the Project or otherwise undermine this Stipulation, provided that the terms of this Stipulation have been satisfied.
- d. The Parties agree that any action, whether formal or informal, that each may elect to take before any other federal, state, or municipal regulatory entity concerning the Project shall be consistent with this Stipulation.
- e. This Stipulation represents the entire Stipulation between the Parties with respect to the Project. It may be modified only upon mutual written Stipulation by the Parties and is subject to any necessary Board approvals.
- f. Other than as may be specifically provided herein, this Stipulation shall not constitute an admission of any fact or law by any Party concerning the Project or any impacts related to the Project. This Stipulation shall not be construed as having precedential impact in any future section 248 proceeding concerning the Project, except as necessary to implement this Stipulation or to enforce an order of the Board resulting from this Stipulation.
- g. This Stipulation should not be construed by any party or tribunal as having precedential or any other impact on any other proceeding involving a different project, different subject matter, or other parties. With respect to such proceedings, the Parties reserve the right to advocate positions that differ from those set forth in this Stipulation.
- h. This Stipulation pertains only to the Project as it is presently proposed at the time the Agreement is executed. Prior to CPG approval, if TDI-NE makes any changes to the Project that could materially impact any of BED's rights or interests hereunder, TDI-NE and BED shall negotiate in good faith to amend the Stipulation as necessary. TDI-NE and BED acknowledge that should they fail to reach agreement to amend the Stipulation, each may present its position to the Board concerning such Project changes, provided each party otherwise acts consistently with this Stipulation.

- i. This Stipulation is expressly conditioned upon the Board's acceptance of all of its provisions, without material change or condition. If the Board does not accept the Stipulation in all material respects, the Stipulation shall, at the option of either party, be deemed to be null and void and without effect and shall not constitute any part of the record in this proceeding and shall not be used for any other purpose. In the event the Board makes such material modification or change and as a result TDI-NE or BED exercises its option to void the Stipulation, each party shall be placed in the position that it enjoyed in this proceeding before entering into the Stipulation. Exercise of the option to terminate this Stipulation shall be by written notice delivered to the Board and the non-exercising party no later than ten days after issuance of a Board Order triggering the option.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

DATED this 28th day of July, 2015

By: 


Geoffrey H. Hand, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

By:

William F. Ellis, Esq.
McNeil, Leddy & Sheahan, PC
Counsel for Burlington Electric Department

DATED this 28th day of July, 2015

By: _____
Geoffrey H. Hand, Esq.
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

By:  _____
William F. Ellis, Esq.
McNeil, Leddy & Sheahan, PC
Counsel for Burlington Electric Department

**STATE OF VERMONT
PUBLIC SERVICE BOARD**

Docket No. 8400

Petition of Champlain VT, LLC d/b/a TDI New England)
for a Certificate of Public Good, pursuant to 30 V.S.A. §248,)
authorizing the installation and operation of a high voltage)
direct current (HVDC) underwater and underground electric)
transmission line with a capacity of 1,000 MW, a converter)
station, and other associated facilities, to be located in Lake)
Champlain and in the Counties of Grand Isle, Chittenden,)
Addison, Rutland, and Windsor, Vermont, and to be known)
as the New England Clean Power Link Project (“NECPL”))

First Amendment to Stipulation Between Champlain VT, LLC and Vermont Department of Public Service, Vermont Agency of Natural Resources, and Vermont Division for Historic Preservation

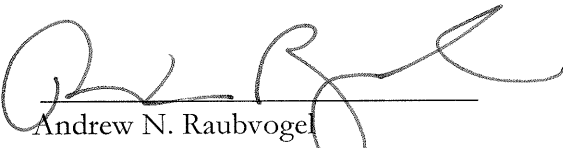
This First Amendment (“Amendment”) to the July 17, 2015 Stipulation (“Stipulation”) executed between Champlain VT, LLC d/b/a TDI New England (“TDI-NE”) and the Vermont Public Service Department (“PSD” or “Department”), Vermont Agency of Natural Resources (“ANR”) and the Vermont Division for Historic Preservation (“DHP”) is made as of the 29th day of July, 2015 between PSD, ANR, DHP and TDI-NE, the “Parties,” and each, a “Party.” The Parties hereby amend the Stipulation to include the following language, leaving all other provisions in the Stipulation in full force and effect:

New subsection (r) to Paragraph 7 entitled “Proposed CPG Conditions” is added:

- r. In the event that Paragraph 16 of the July 24, 2015 Agreement between TDI-NE and Vermont Transco LLC/Vermont Electric Power Company, Inc. (together, “VELCO”) applies to this Project, the Department acknowledges that it will use its best efforts to minimize Vermont’s regional share of the NECPL’s costs.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

IN WITNESS WHEREOF the Parties hereto have caused their representatives to execute and deliver this Agreement as of the date hereinabove set forth.

By: 

Andrew N. Raubvogel
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

By: _____
Sheila Grace
Vermont Public Service Department
Special Counsel

By: _____
Donald Einhorn
Vermont Agency of Natural Resources
Legal Counsel

By: _____
Dale Azaria
Vermont Division for Historic Preservation
Legal Counsel

IN WITNESS WHEREOF the Parties hereto have caused their representatives to execute and deliver this Agreement as of the date hereinabove set forth.

By: _____
Andrew N. Raubvogel
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

By:  _____
Sheila Grace
Vermont Public Service Department
Special Counsel

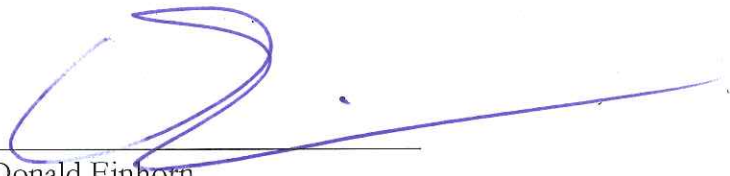
By: _____
Donald Einhorn
Vermont Agency of Natural Resources
Legal Counsel

By: _____
Dale Azaria
Vermont Division for Historic Preservation
Legal Counsel

IN WITNESS WHEREOF the Parties hereto have caused their representatives to execute and deliver this Agreement as of the date hereinabove set forth.

By: _____
Andrew N. Raubvogel
Dunkiel Saunders Elliott Raubvogel & Hand, PLLC
Counsel for TDI New England

By: _____
Sheila Grace
Vermont Public Service Department
Special Counsel

By:  _____
Donald Einhorn
Vermont Agency of Natural Resources
Legal Counsel


By: _____
Dale Azaria
Vermont Division for Historic Preservation
Legal Counsel

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HOST TOWN AGREEMENT

Champlain VT, LLC and the Town of Benson, Vermont

This document ("Agreement") sets out the terms of an agreement between the Town of Benson, Vermont ("Benson" or "the Town"), and Champlain VT, LLC d/b/a TDI New England, a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207 ("TDI-NE"); collectively, the "Parties."

Whereas, TDI-NE has filed a Petition in December 2014 with the Vermont Public Service Board ("PSB"), requesting permission to develop, construct, and operate the New England Clean Power Link ("NECPL" or "Project"), a proposed electric transmission line; and

Whereas, it is anticipated that the electricity shipped through NECPL will be generated by renewable energy sources and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current ("HVDC") technology, capable of transmitting 1,000 megawatts ("MW") of electricity; and

Whereas, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow, Vermont, where it will tie into a new converter station; and

Whereas, the Ludlow converter station will convert the electrical power from direct current ("DC") to alternating current ("AC") and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company ("VELCO"); and

Whereas, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way ("ROWs"); and

Whereas, an approximately 4.2 mile portion of the proposed transmission line will be located in the Town of Benson, Vermont in the rights-of-way of town roads; and

Whereas, TDI-NE believes that, subject to the terms of this Agreement, the Project can be constructed and operated in a manner that appropriately addresses any potential short-term impacts to the Town of Benson and that the long-term benefits of the Project clearly outweigh its short-term impacts; and

Whereas, TDI-NE recognizes that close cooperation with the Town of Benson is important to the delivery of those benefits and to the success of the Project; and

Whereas, the Town believes that minimizing and mitigating any potential impacts within the Town from construction and operation of the Project is important; and

Whereas, in the interests of establishing a mutually beneficial long-term relationship between the Town and TDI-NE, the Parties agree that it is in their mutual interests to reach understandings with respect to certain aspects of the Project;

Therefore, provided that the PSB approves the Project consistent with TDI-NE's application or as modified by the PSB or other regulatory entities and accepted by TDI-NE and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. Use of Town Roads

- a. Based on the information and project plans provided by TDI-NE to the Town with respect to the portion of the Project to be installed within Town of Benson road rights-of-way, pursuant to 19 V.S.A. § 1111 and 30 V.S.A. § 2502, the Town hereby grants preliminary approval for TDI-NE to use and occupy a utility right-of-way within town highways TH 30 (Stony Point Road), TH 6 (North Lake Road - Glenn Road) and TH 1 (Stage Road – Hulett Hill Road) in the Town of Benson. The location and design of TDI-NE's utility right of way are set forth in the plans filed with the PSB in Docket No. 8400, as they may be amended from time to time. The Town's preliminary approval is conditioned on TDI-NE subsequently receiving the Town's approval of the final project plans prior to construction, including any reasonable conditions to be negotiated in good faith between TDI-NE and the Town; provided such approval shall not to be unreasonably withheld or conditioned.
- b. Subject to Section 1.a., TDI-NE shall have the right to utilize the ROWs for the construction, reconstruction, maintenance, movement, relocation, inspection, alteration, repair, replacement, and operation of an electric transmission line, including such surface or subsurface appurtenances and facilities as may be reasonably deemed necessary or convenient by TDI-NE for construction, operation, and maintenance of the Project. TDI-NE shall have the right to engage in all actions and activities necessary for such activities, including the right of ingress and egress to and from TDI-NE's utility right-of-way.
- c. TDI-NE shall have the right to permanently discontinue use of the electric transmission line and associated facilities and to permanently leave such equipment in place, provided that TDI-NE provides written notification to the Town at least 180 days prior to such discontinuance of use. After receipt of such notice, TDI-NE and the Town shall meet to discuss and resolve in good faith any issues with respect to the permanent discontinuance of the line. If appropriate and agreed to by the parties, inspection of any portion of the transmission line's right-of-way on town roads in Benson may occur.
- d. With respect to TDI-NE's construction in and use of the town roads for the Project, TDI-NE agrees to provide certain payments as follows: \$550,000 at the time of the Project's financial closing, and \$550,000 at the time the Project commences Commercial Operation. These payments shall be in addition to annual property tax payments, and will be earmarked by Benson to purchase road equipment and infrastructure that will allow for the maintenance of roads and emergency services in accordance with requirements of the Town and the State of Vermont. "Commercial Operation" is the date the Project has been approved to transmit electricity on a continuous, non-test basis, and delivered into the ISO-NE transmission system.

- e. A draft document entitled: *Attachment I to the TDI-NE—Town of Benson Host Town Agreement: Conditions Regarding the Use of Town Roads* is attached to this Agreement. This attachment will be finalized by the Parties following completion of the final design plans for the Project to ensure consideration of all impacts on Town roads and infrastructure, and to ensure consistency as appropriate with State requirements for the portion of the Project located in the state highway right of way. The final agreed-upon version of Attachment I will thereafter become part of this Agreement.

2. Municipal Property Taxes

- a. Beginning in the tax year in which construction of the Project in Benson has commenced prior to April 1st and thereafter until the Project permanently ceases to be used by TDI-NE for the transmission of electric current, TDI-NE will pay property taxes to the Town, in accordance with applicable law and as further described below, on the segment of the Project's electric transmission cable and associated electric transmission equipment that is located within the Town of Benson (collectively, the "Equipment"). The tax rate and total taxes due on, and valuation of, the Equipment shall not be fixed by this Agreement, and as such, this Agreement shall not constitute a tax stabilization agreement pursuant to 24 V.S.A. § 2741.

The Parties agree to cooperate in determining the fair market value ("FMV") of the Equipment for purposes of placing the Equipment on the Town's Grand List. This determination shall be in accordance with the formulas and calculations used by the State of Vermont Department of Taxes to value the Project in effect at the time of valuation, subject to applicable law. Construction Work in Progress ("CWIP"), if applicable, shall be taxed based on CWIP in place as of April 1 of any given year. TDI-NE shall certify all costs of construction and other elements of valuation, subject to any appropriate claims concerning confidential or proprietary information.

- b. If TDI-NE exercises its rights under Section 1.c. to permanently discontinue use of the electric transmission line and associated facilities within the rights-of-way of town roads in Benson, the Parties acknowledge and agree that any such transmission line and facilities shall no longer be taxable, shall be deemed transferred by TDI-NE to the Town, and shall become the property of the Town in exchange for nominal consideration.
- c. In addition to the tax payments on the Equipment specified in subsection 2.a. above, TDI-NE shall be separately obligated to pay property taxes on any real property other than the Equipment that it owns in Benson; provided, however, that because any Equipment that may be located on such private property will be valued and placed on the Grand List separately pursuant to subsections 2.a. and b. above, such Equipment shall be excluded from the valuation of any real property owned by TDI-NE.
- d. The Town shall not impose any other fees, dues, or other types of payments beyond those provided for in this Agreement, with the exception of ordinary and applicable permit

fees. TDI-NE's payments under this Agreement shall satisfy any tax or other financial obligations that TDI-NE may have to the Town with respect to the construction and operation of the Project. Notwithstanding the foregoing, TDI-NE shall reimburse the Town for the reasonable costs incurred by the Town for engineering, plan review, survey, and legal support performed for the Town to assess proposed construction in the Town by TDI-NE. During construction, inspections shall be conducted through VTrans on behalf of the Town and TDI-NE shall reimburse the Town for the costs of the inspections. The scope and costs of all such services shall be discussed and agreed to in advance by the Parties.

3. Communications

- a. TDI-NE will maintain a Vermont Office during construction, and will have a supervisory representative (an employee of TDI-NE or an employee of its contractor) present any time work is being conducted in or on Town rights-of-way. TDI-NE will conduct at least one pre-construction conference with the Town. In order to foster good communication and to address any potential concerns during construction and operation of the Project, a 24-hour/day telephone number will be established whereby Town representatives can talk to a person in authority who can act for TDI-NE in response to the Town's concerns or emergencies.
- b. TDI-NE shall apprise the Town of all site work taking place within the Town and will make available to the Town relevant plans and general specifications (in electronic form and, if requested, in hard copy form), the construction schedule, and the name, e-mail and postal addresses and phone numbers of the TDI-NE project manager (and of any other TDI-NE personnel whom the Town may contact when and if the project manager is not available). All communications shall be conducted through the project manager or his designee and the Town shall not directly contact any of TDI-NE's contractors or subcontractors.
- c. In the event that any significant construction or maintenance is deemed necessary or appropriate by TDI-NE beyond that which is approved in the Certificate of Public Good issued by the PSB ("CPG") or any post-CPG approval issued by the PSB that would have the likelihood of materially impacting town highways or Town-owned property, TDI-NE shall provide the Town with notice of the required work in a timely fashion in order to address any questions and concerns prior to commencement of work. Emergency repairs, however, shall not be subject to this notification requirement. This obligation is in addition to other obligations under Section 4 – Project Construction Impacts.
- d. In general, TDI-NE and the Town will make good faith efforts to ensure that open communications exist between TDI-NE and the Town, including briefing of a Town official, if requested, every two weeks during construction within the Town.

4. Project Construction Impacts

- a. Twenty-one (21) days prior to TDI-NE's submission of final design plans to the PSB, TDI-

- NE shall submit to the Town (in electronic form and, if requested, in hard copy form) for review and approval those same plans for any work that abuts, joins or requires alteration of any town highways or trails (including work that affects drainage along, across, above or below town highways). Plans approved by the PSB and VTrans shall be deemed sufficient. If, in the Town's judgment, other plans that have not received such approval lack sufficient detail, the Town will so inform TDI-NE, and plans satisfactory to the Town shall be provided. The Town shall have twenty-one (21) calendar days after submittal of plans satisfactory to it to approve the plans, such approval not to be unreasonably withheld, conditioned, or delayed. No construction on Benson town roads shall commence until the Town provides such approval. Failure of the Town to act within this time period shall constitute approval of such plans.
- b. TDI-NE shall repair or correct any damage to town highways, drainage structures, or other Town-owned infrastructure caused by TDI-NE or its contractors during construction of the Project within one week of the occurrence of such damage, unless weather conditions prevent repairs, the repairs are too extensive to repair within one week, or other unforeseen circumstances beyond TDI-NE's control. In such an event, the repairs shall be made within one week after the intervening event abates sufficiently to allow repairs. Should TDI-NE fail to make such repairs in this period of time after receiving actual notice of the damage and the resulting conditions pose undue risks to public safety or the environment, the Town may elect to make the repairs itself. In such an event, TDI-NE shall pay all costs associated with the repairs. Alterations to town highways or Town-owned property that are consistent with Project plans approved by the PSB and by the Town will not constitute "damage" within the meaning of this section. Inspections of the Project shall be conducted by VTrans on behalf of the Town.
- c. TDI-NE shall provide to the Town the final "as-built" drawings (in electronic form and, if requested, in hard copy form) for any improvements on town highways or Town-owned property and shall provide as-built or equivalent drawings of the site work within a reasonable period of time after completion of construction activities within the Town. TDI-NE shall correct all problems related to construction of the Project within Town rights-of-way that are identified by a qualified third party inspector the selection of whom shall be mutually agreed upon by the Parties, within 90 days of their identification or such other commercially reasonable period of time as necessitated due to circumstances beyond TDI-NE's control. The provisions of Attachment I shall also apply to the plans and work covered under this section.
- d. Notwithstanding the Town's approval rights specified above, the Parties acknowledge that the PSB has ultimate review and approval authority over all Project plans. Any action taken by the Town hereunder may not be materially inconsistent with, or have the effect of altering or modifying, any order, judgment, decision or approval of the PSB, pursuant to 30 V.S.A. § 224; provided, however, that the Town does not waive any rights to present a case at the PSB consistent with Section 10 below, nor does it concede that it lacks any jurisdiction that it has by law. The Town shall retain the right to appeal a PSB decision regarding the Project, limited to the following: (i) the PSB decision is materially inconsistent

- with the Project as proposed by TDI-NE and reflected in this agreement (including any significant or material project changes of which TDI-NE has notified the Town and to which the Town has objected), and (ii) the PSB decision creates additional material burdens to the Town over and above any associated with the Project as originally proposed by TDI-NE, and those burdens are not otherwise mitigated by TDI-NE. Provided, however, that nothing in this paragraph shall diminish the rights of the Town to control and have authority over its rights-of-way and the location of Equipment in those rights-of-way subject to all applicable law under Titles 30 and 32 of the Vermont statutes.
- e. The Town represents that any approvals or permission given hereunder shall satisfy all its rights and obligations under local ordinances and state statutes.

5. Potential Impacts to Private Property

- a. TDI-NE affirms that, at present, it anticipates and intends that it will either own any and all private lands within the Town upon which construction activities will occur or reach an agreement allowing such activities with the owner(s) of any such private lands.
- b. TDI-NE has worked and will continue to work with the Town, consulting engineers and state officials to ensure that the Project is built and operated in a safe and commercially sound manner. In addition:
- i. Before beginning construction in Benson, TDI-NE must provide certificates of insurance to show that the following minimum coverages are in effect. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of TDI-NE for its operations. These are solely minimums that have been established to protect the interests of the Town. Nothing in this subsection 5.b.i. shall in any way diminish or limit the obligations of TDI-NE elsewhere in this Agreement, in particular, but not limited to, those set forth in Section 7.c.

Workers Compensation: TDI-NE shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: TDI-NE shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed
Operations Personal
Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$2,000,000 Per Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/Legal Liability

TDI-NE shall name the Town of Benson and its officers and employees as additional insureds for liability arising out of the portion of the Project within the Town of Benson.

Automotive Liability: TDI-NE shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Project. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

TDI-NE shall name the Town of Benson and its officers and employees as additional insureds for liability arising out of the portion of the Project within the Town of Benson.

TDI-NE will ensure that its contractors carry sufficient liability insurance to cover private property damage claims. Evidence of such insurance will be filed with the Town upon request.

- ii. Prior to construction, TDI-NE will undertake any necessary or appropriate baseline monitoring of conditions concerning private properties that have the potential to be affected by the Project, as determined by TDI-NE's consulting engineers and consistent with the baseline monitoring plan submitted by TDI-NE to the PSB for review and approval in connection with blasting activities. Such monitoring may include water well testing, surveying of septic systems, and/or inventorying the current condition of roads and drainage systems.
 - iii. TDI-NE agrees to identify a contact person and phone number that private property owners may contact.
 - iv. TDI-NE agrees that it will act in good faith to respond in a timely manner to any reports of physical damage to private property, to ascertain whether the damage was caused by the Project, and, if so, to remedy the damage.
- c. The Parties agree that any legal rights, responsibilities, and obligations with respect to private property damage claims are matters between TDI-NE and private landowners, and this Agreement shall not create any rights of persons or entities other than the Parties to enforce this Agreement or affect any rights of the Town to enter into, mediate, or enforce any such obligations in court or otherwise.

6. Changes to Project

The Parties acknowledge that the PSB has ultimate regulatory authority over the Project. If the PSB grants a CPG and TDI-NE chooses in its sole discretion to proceed with the Project, TDI-NE must build the Project in accordance with the terms of such approval. The Agreement pertains only to the Project as it is presently proposed at the time the Agreement is executed. If it becomes apparent to either party that the Agreement needs to be amended to conform to the terms of the PSB approval, the requesting party shall provide notice and within 30 days thereafter the Parties shall commence to negotiate in good faith to amend the Agreement so that performance is possible within those terms.

7. Warranties and Representations

- a. TDI-NE warrants and represents that, unless the Project is transferred or assigned to an unrelated entity while this Agreement is in effect:
 - i. TDI-NE will, at all times during the term of this Agreement, be the lessee or owner of the Project and have all appropriate rights to access the real property that is necessary to construct and operate the Project;
 - ii. TDI-NE will, at all times while this Agreement is in effect, maintain the adequate financial resources or have access to the adequate financial resources required to perform all of the obligations herein to be performed by it;
 - iii. TDI-NE will, at all times this Agreement is in effect, have the power to ensure that services or equipment or materials for the Project will be performed, furnished, or installed, as the case may be;
 - iv. TDI-NE will, at all times this Agreement is in effect, be responsible for the operation and maintenance of the buried cable system within the Town of Benson, either directly or through a contracted entity.
- b. TDI-NE will require insurance, performance bonds, or other appropriate forms of guaranty of all its contractors and others working on the Project, as determined by TDI-NE in accordance with good industry practice. Proof of such guaranties shall be furnished to the Town at the Town's request.
- c. TDI-NE shall hold harmless the Town from any and all claims, disputes, and legal or regulatory actions that may be brought against the Town as a direct or indirect result of any claims associated with TDI-NE's negligence or willful misconduct. Notwithstanding the above, TDI-NE shall not be obligated to indemnify the Town for acts of negligence or willful misconduct or for any other actions by the Town that are in derogation of its obligations under law or this Agreement.

8. Transferees, Successors, and Assigns

- a. TDI-NE may assign this Agreement in connection with the financing supporting construction or operation of the Project as described in Section 8.c. below.

TDI-NE may also assign this Agreement otherwise, provided that any such assignment shall not become effective unless and until such assignee assumes in writing the obligations and rights of TDI-NE hereunder. Upon delivery of written confirmation of such assumption to the Town, TDI-NE shall be released from its obligations hereunder, provided that for any partial transfer of the Project or transfer of a component of the Project, TDI-NE shall remain liable for its obligations hereunder with respect to the portion or components of the Project it retains.

- b. This Agreement in its entirety shall apply to, inure to the benefit of, and, with the exception of an assignment in connection with the financing supporting construction of the Project as described in Section 8.c. below, be binding upon and enforceable against the Parties hereto and their successors and assigns.
- c. In addition to the foregoing, TDI-NE is authorized to collaterally assign the rights and interests afforded to TDI-NE by this Agreement to a party or parties providing the debt financing for the Project. Any assignment made in connection with financing the construction or operation of the Project shall not relieve TDI-NE from its obligations hereunder. The Town acknowledges that, in the case of any such collateral assignment, this Agreement shall not be binding upon or enforceable against such assignee or assignees unless and until, and then only to the extent that, such assignee or assignees elect to exercise its or their right to displace the assignor and assume the assignor's rights and obligations pursuant to this Agreement.
- d. As used throughout this Agreement, "TDI-NE" shall mean TDI-NE and its successors and assigns, subject to the provisions of this Section 8.

9. Maintenance and Fire Protection

- a. TDI-NE warrants that it will operate the Project in accordance with prudent industry practices and in accordance with the manufacturers' requirements for maintenance of Project equipment.
- b. TDI-NE will ensure that emergency responders have sufficient access to respond to emergencies both at its construction and Equipment sites and at any other location in the Town.
- c. In the event that the Project receives fire protection or emergency services through the Town that result in a greater than normal expense to the Town, TDI-NE will reimburse the Town for the reasonable incremental expense attributable to the provision of such services to the Project, including additional training, if necessary.

10. Cooperation by the Parties

- a. Provided that TDI-NE complies with this Agreement, the Town agrees to support approval of TDI-NE's Section 248 petition at the PSB, including, if necessary, the filing of appropriate testimony, exhibits, and other filings related to the Project's compliance with the Section 248 criteria, including but not necessarily limited to subsections (b)(1) and (b)(5). The Town further agrees to cooperate with TDI-NE before the PSB and other state, federal, and county instrumentalities. The Parties acknowledge that the Town may present its independent position on issues to be decided by the PSB, provided the Town acts consistently with this Agreement.
- b. If, after the execution of the Agreement, TDI-NE discloses to the Town any proposed substantial changes to the Project that may materially impact the Town's rights hereunder and the Town concludes that such changes are acceptable, the Town, acting within the bounds of its authority, will cooperate with TDI-NE with respect to such changes in dealing with any state, federal, or county instrumentalities.
- c. TDI-NE and the Town each agree that they will not take actions during the 248 proceeding to undermine or otherwise breach this Agreement.

11. Effective Date and Term of Agreement

- a. The Agreement shall be effective upon its execution by the Parties.
- b. The Agreement shall remain in effect until the Project permanently ceases to be used by TDI-NE for the transmission of electric current, provided that Section 1.c. shall survive such event.
- c. Nothing in this Agreement shall obligate TDI-NE to build or operate the Project, any such decision being within TDI-NE's sole discretion. All payment obligations hereunder shall be in effect until the Project permanently ceases to be used by TDI-NE for the transmission of electric current.
- d. This Agreement shall terminate if the PSB denies TDI-NE's petition to construct and operate the Project and such denial is upheld on appeal, if an appeal is taken.
- e. TDI-NE's accrued and outstanding obligations to make payments, pay taxes, or reimburse the Town for expenses, if any exist at the time of termination, shall survive termination.

12. Recording of the Agreement

The parties shall record this Agreement in the land records of the Town of Benson at TDI-NE's expense.

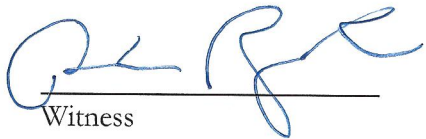
13. Governing Law and Jurisdiction

This Agreement shall be construed in accordance with and governed by the laws of the State of Vermont. The Town and TDI-NE agree to ask that the PSB include the full terms of this Agreement, by reference or otherwise, in any Order or CPG authorizing construction of the Project and agree that this Agreement may be enforced by the PSB as a condition of construction and operation and transfer of the Project, and further agree that the state and federal courts situated in the State of Vermont have jurisdiction over the Parties to entertain and decide any and all actions that may arise under or in connection with this Agreement.

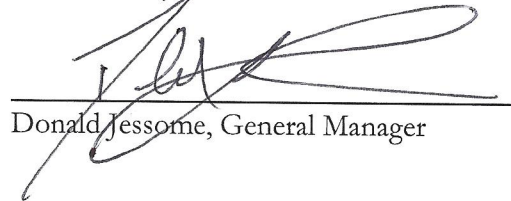
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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of
June 10, 2015.

CHAMPLAIN VT, LLC


Witness

By:


Donald Jessome, General Manager

THE TOWN OF BENSON

Daphne Bartholomew
Witness

By:

Guy Charlton
Guy Charlton, Benson Selectboard Chair

Daphne Bartholomew
Witness

By:

Sue Janssen
Sue Janssen, Benson Selectboard Member

Daphne Bartholomew
Witness

Regina L Cull
Regina Cull, Benson Selectboard Member

Daphne Bartholomew
Witness

By:

Robert E Lussier
Robert Lussier, Benson Selectboard Member

Daphne Bartholomew
Witness

By:

Sam Bartholomew
Sam Bartholomew, Benson Selectboard Member

Attachment I to TDI-NE -- Town of Benson Host Town Agreement:
Conditions Regarding the Use of Town Roads

1. Prior to beginning work in any segment of town highway, TDI-NE shall consult with the Town regarding potential road projects or ongoing maintenance operations and will use commercially reasonable efforts to accommodate such activities with Project construction. Benson shall postpone or delay any conflicting projects that interfere with TDI-NE's construction schedule, except in the case of emergency road repair work. Major construction of the project will be completed during the months of May through October unless the Town and TDI-NE agree to construction practices to be followed to facilitate the road maintenance required during winter and spring months.
2. The Town of Benson may require that TDI-NE, at its own expense, relocate or adjust its facilities with a town highway should the Town determine, in writing, that relocation is necessary for the planning, construction, repair, expansion, or replacement of a town highway. In the event that the Town determines that such relocation is necessary, the Town shall (a) provide TDI-NE with twelve (12) months prior written notice and reasonable time to relocate its facilities, (b) endeavor to offer suitable substitute Town property upon which the relocation or adjustment can be effected, and (c) failing the availability of such suitable substitute Town property, collaborate with TDI-NE so that such property will be promptly obtained by the Town, through negotiation without expense to the Town.
3. TDI-NE shall engineer, construct, and install the Project so as to make it fully compatible with the continued operation and maintenance of existing utility infrastructure within the affected town highways. Infrastructure may include electric, gas, telecommunications, water, and wastewater lines and equipment, whether above ground, below ground, or submerged.
4. TDI-NE shall be responsible for rebuilding, repairing, restoring and making good all injuries or damage to any portion of the highway and highway rights-of-way caused by Project construction including highways and highway rights-of-way used to access construction sites with materials, supplies, and equipment. TDI-NE shall restore disturbed driveways, sidewalks and lawns located in the ROW that are maintained by abutting property owners back to their condition at the time they were disturbed by TDI-NE. Complete road resurfacing is anticipated for Class 3 gravel roads and partial or complete surface replacement on paved roads. State, Town and TDI representatives shall discuss and agree on road resurfacing guidelines as part of final plan approval.
5. Prior to beginning construction in Benson, TDI-NE shall enter into an inspection agreement, similar to the one used by VTrans for state highways, which will cover periodic inspection by Town representatives or their agents of the work being conducted within town highways. Such agreement shall provide for (a) an initial inspection of all relevant town highways including town highways used to access construction sites with materials, supplies, and equipment, drainage structures, and other Town-owned infrastructure to determine baseline conditions, (b) a final inspection of the completed work, and (c) a process by which a certification by the inspector, binding on the Town, of completion of all restorative or repair work required by this agreement shall be issued. Such agreement shall include a follow-up inspection within 18 months of the completion of construction during a month to be determined by the Town.
6. A preconstruction meeting shall be held prior to TDI-NE starting construction in Benson. TDI-NE shall notify the Town seven (7) calendar days in advance of such meeting.

7. TDI-NE shall notify the Town five (5) working days in advance of the final inspection.
8. The Town shall not be responsible for maintaining the required cover over the transmission line. This cover shall be provided and maintained by TDI-NE.
9. The time period within which trenches and pits are left open will be minimized. All trenches and pits left open at the conclusion of the work day shall be properly marked and protected. These practices shall be in accordance with State guidelines and the inspection agreement.

Safety

10. TDI-NE shall implement a Maintenance and Protection of Traffic ("MPT") plan, similar to the plan to be approved by VTTrans for state highways, which identifies procedures to be used to maintain traffic and provide a safe construction work zone for those activities within ROW.
11. TDI-NE shall ensure that residents can maintain access to their homes in a safe manner and at reasonable times consistent with the ongoing construction activities. TDI-NE will provide advance notice to residents of any necessary road restrictions.
12. TDI-NE shall, in every case where there is a possibility of injury to persons or property from blasting, use blasting mats and bags of sand, if necessary, to prevent the stone from scattering. All existing utility facilities shall be protected from damage or injury from blasting. Such activity shall be in accordance with State requirements and guidelines.
13. TDI-NE shall erect and maintain barriers needed to protect the traveling public. The barriers shall be properly lighted at night.
14. TDI-NE shall ensure that all workers exposed to the risks of moving highway traffic and/or construction equipment wear high-visibility safety apparel meeting applicable industry standards.

Drainage and Stormwater:

15. For each location where the Project involves construction across or within a ROW, TDI-NE shall follow the soil erosion and sediment control plans as required by its Vermont stormwater construction permit.
16. TDI-NE will take steps to ensure that culverts within the ROW are not damaged, crushed, or blocked by the Project during construction. TDI-NE will provide the Town with the proposed methodology to cross each culvert, as part of the plans submitted for PSB approval pursuant to Section 4.a. of the Agreement. It is anticipated that TDI transmission cables will be located below all culverts and drainage structures.
17. TDI-NE shall exercise extreme care when working adjacent to existing storm drainage pipes and drop inlets owned by the Town or the State. Any damage caused by TDI-NE to the storm

drainage system must be repaired using new materials. Repairs must be inspected by Town personnel.

Cutting or Trimming of Trees

18. TDI-NE shall provide at least seven (7) calendar days' notice to the Town prior to the cutting or trimming of trees within the town highway right of way. The notice shall specify where the cutting or trimming will take place. If the Town objects, the Parties shall reach a mutually satisfactory agreement on the places and extent of cutting and trimming before the work begins; provided, however, that if the Parties cannot reach agreement, any Town request concerning the cutting or trimming of trees may not materially interfere with the construction of the Project.

Hours of Construction

19. Unless otherwise approved by the Public Service Board, all work in the ROW shall be performed during normal daylight hours (with the exception of Horizontal Directional Drilling and culvert upgrade operations) and shall cease on Sunday and on all state holidays, and between December 24 and January 2.

HOST TOWN AGREEMENT

Champlain VT, LLC and the Town of Ludlow, Vermont

This document (the “Agreement”) sets out the terms of an agreement between the Town of Ludlow, Vermont (“Ludlow” or “the Town”), and Champlain VT, LLC d/b/a TDI New England, a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207 (“TDI-NE”): collectively, the “Parties.”

Whereas, TDI-NE has filed a Petition in December 2014 with the Vermont Public Service Board (“the PSB”), requesting permission to develop, construct, and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed electric transmission line; and

Whereas, it is anticipated that the electricity shipped through NECPL will be generated by renewable energy sources in Canada, and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity; and

Whereas, the transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current (“DC”) to alternating current (“AC”) and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company (“VELCO”); and

Whereas, the underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way (“ROWS”); and

Whereas, an approximately 7.7 mile portion of the proposed transmission line will be located in the Town of Ludlow, Vermont on private land (0.4 miles), town highways (4.7 miles), and state highways (2.6 miles); and

Whereas, TDI-NE believes that the Project can be constructed and operated in a manner that appropriately addresses any potential impacts to the Town of Ludlow, and that the benefits of the Project clearly outweigh its costs; and

Whereas, TDI-NE recognizes that close cooperation with the Town of Ludlow is important to the delivery of those benefits and to the success of the Project; and

Whereas, the Town has determined that the Project will provide revenue to the Town, and is an environmentally sound energy option; at the same time, the Town believes that minimizing and mitigating any potential impacts within the Town from construction and operation of the Project is important; and

Whereas, in the interests of compromise and establishing a mutually beneficial long-term relationship between the Town and TDI-NE, the Parties agree that it is in their mutual interests to reach understandings with respect to certain aspects of the Project;

Therefore, provided that the PSB approves the Project consistent with TDI-NE's application or as modified by the PSB or other regulatory entities and accepted by TDI-NE, and TDI-NE chooses in its sole discretion to construct and operate the Project, the Parties agree as follows:

1. Use of Town Roads

- a. Pursuant to 19 V.S.A. § 1111 and 30 V.S.A. § 2502, the Town hereby grants TDI-NE permission to use and occupy a utility right of way ("ROW") within portions of town highways 4, 6 and 9 (including any associated bridges and culverts) in the Town of Ludlow, subject to the conditions contained in this Agreement and in Attachment I hereto (Section 1111 Permit Approval). The location and design of TDI-NE's utility right of way are set forth in the plans filed with the PSB in Docket No. 8400, as they may be amended from time to time.
- b. TDI-NE shall have the right to utilize the ROWs for the construction, reconstruction, maintenance, movement, relocation, inspection, alteration, repair, replacement, and operation of an electric transmission line, including such surface or subsurface appurtenances and facilities as may be reasonably deemed to be necessary or convenient by TDI-NE for construction, operation, and maintenance of the Project. TDI-NE shall have the right to engage in all actions and activities necessary for such activities, including the right of ingress and egress to and from TDI-NE's utility right-of-way.

During construction of the Project on any Ludlow town highways, TDI-NE shall adhere to all applicable VTrans construction standards for roads and bridges, and shall return such town highways back to their pre-construction condition or better. TDI shall also comply with Sections 5.b. and 7.b. below regarding insurance and performance bonds.

- c. TDI-NE shall have the right to permanently discontinue use of the electric transmission line and associated facilities within the town rights-of way and to leave such facilities in place, provided that TDI-NE provides written notification to the Town at least 180 days prior to such discontinuance of use. In addition, subject to any decommissioning requirements imposed by the Public Service Board and subject to any town regulations that would apply after the Section 248 project is no longer operating, TDI-NE may elect to leave the converter station and associated facilities in place. TDI-NE will retain ownership and responsibility for its property until such time as control of the property is transferred to a different entity.

2. Municipal Property Taxes

- a. Beginning in the tax year in which construction of the Project in Ludlow has commenced prior to April 1st and thereafter until the Project ceases commercial operation as an electric transmission facility, pursuant to this Agreement TDI-NE will pay property taxes to the Town, in accordance with applicable law and as further described below, on the segment of

the Project's electric transmission cable and associated electric transmission equipment that is located within the Town of Ludlow (collectively, the "Equipment"). The tax rate and total taxes due on, and valuation of, the Equipment shall not be fixed by this Agreement, and as such, this Agreement shall not constitute a tax stabilization agreement pursuant to 24 V.S.A. § 2741.

- b. The Parties agree to cooperate in determining the fair market value ("FMV") of the Equipment for purposes of placing the Equipment on the Town's Grand List. The Parties further agree that Replacement Cost New Less Depreciation ("RCNLD") shall be the valuation methodology used to determine FMV of the Equipment during any period of time when the Project is commercially operating. RCNLD should be calculated as follows:

Calculation of Replacement Cost New:

- Construction work in progress ("CWIP"): if applicable, would be taxed for CWIP in place as of April 1st of any given year.
 - TDI-NE to provide certification of costs
- Operations Period:
 - Year 1: Use actual cost of construction (all direct costs of labor and materials)
 - Years 2 through 40: Use Handy Whitman Index
 - TDI-NE to provide certification of costs, both initial capital costs and any future material improvements.

Calculation of Depreciation:

- Use Iowa depreciation curve for 40 year asset. The depreciation schedule for 40 years as set by the Iowa Curve as depicted in Attachment I.
- Maximum depreciation of 70% during 40 year life of the Project, that is, a floor of 30% of replacement cost new.

c. If TDI-NE exercise its rights under Section 1.c. to permanently discontinue use of the electric transmission line and associated facilities within the rights of way of town roads in Ludlow, the Parties acknowledge and agree that any such transmission line and facilities shall no longer be taxable under 32 V.S.A. § 3602a; provided, however, that the Town may reevaluate the discontinued equipment for tax purposes, based upon the tax law applicable at that time. For the avoidance of doubt, this Agreement does not address property tax payments, if any, that would be due after the Project permanently ceases commercial operation for the parcel of land on which the converter station is to be located and any fixtures located thereon.

- d. In addition to the tax payments on the Equipment specified in subsections 2.a. and 2.b.

- above, TDI-NE shall be separately obligated to pay property taxes on any real property other than the Equipment that it owns in Ludlow; provided, however, that because any Equipment that may be located on such private property will be valued and placed on the Grand List separately pursuant to subsections 2.a. and b. above, such Equipment shall be excluded from the valuation of any real property owned by TDI-NE.
- e. The Town shall not impose any other fees, dues, or other types of payments beyond those provided for in this Agreement, with the exception of ordinary and applicable permit fees. TDI-NE's payments under this Agreement shall satisfy any tax or other financial obligations that TDI-NE may have to the Town with respect to the construction and operation of the Project.

3. Communications

- a. TDI-NE will maintain a Vermont Office during construction, in order to foster good communication and to address any potential concerns during construction and operation of the Project. A 24-hour/day telephone number will be established for emergencies.
- b. TDI-NE agrees to reasonably apprise the Town of site work taking place within the Town and will make available to the Town relevant plans and general specifications (in electronic form and, if requested, in hard copy form), the construction schedule, and the name, e-mail and postal addresses and phone numbers of the TDI-NE project manager (and of any other TDI-NE personnel whom the Town may contact when and if the project manager is not available). All communications shall be conducted through the project manager or his designee and the Town shall not directly contact any of TDI-NE's contractors or subcontractors.
- c. In the event that any significant construction or maintenance is deemed necessary or appropriate by TDI-NE beyond that which is approved in the Certificate of Public Good issued by the PSB ("CPG") or any post-CPG approval issued by the PSB that would have the likelihood of materially impacting town highways or Town-owned property, TDI-NE shall provide the Town with notice of the required work in a timely fashion in order to address any questions and concerns prior to commencement of work. Emergency repairs, however, shall not be subject to this notification requirement. This obligation is in addition to other obligations under Section 4 – Project Construction Impacts.
- d. In general, TDI-NE and the Town will make good faith efforts to assure that open communications exist between TDI-NE and the Town.

4. Project Construction Impacts

- a. Concurrent with TDI-NE's submission of final design plans to the PSB, TDI-NE shall submit to the Town (in electronic form and, if requested, in hard copy form) for review and approval those same plans for any work that abuts, joins or requires alteration of any town

- highways or trails (including work that affects drainage along, across, above or below town highways). The Town shall have twenty-one (21) calendar days to approve the plans, such approval not to be unreasonably withheld, conditioned, or delayed. Failure of the Town to act within this time period shall constitute approval of such plans.
- b. TDI-NE shall promptly repair or correct any damage to town highways, drainage structures, or other Town-owned infrastructure caused by TDI-NE or its contractors during construction of the Project. Should TDI-NE fail to make such repairs in a reasonable period of time after receiving actual notice of the damage and the resulting conditions pose undue risks to public safety or the environment, the Town may elect to make the repairs itself. In such an event, TDI-NE shall pay all reasonable costs associated with the repairs. Alterations to Town highways or Town-owned property that are consistent with Project plans approved by the PSB and by the Town will not constitute “damage” within the meaning of this section. Inspections of the Project shall be conducted in accordance with Attachment I.
 - c. TDI-NE shall provide to the Town the final “as-built” drawings (in electronic form and, if requested, in hard copy form) for any improvements on town highways or Town-owned property and shall provide as-built or equivalent drawings of the site work within a reasonable period of time after completion of construction activities within the Town.
 - d. Notwithstanding the Town’s approval rights specified above, the Parties acknowledge that the PSB has ultimate review and approval authority over all Project plans. Any action taken by the Town hereunder may not be materially inconsistent with, or have the effect of altering or modifying, any order, judgment, decision or approval of the PSB, pursuant to 30 V.S.A. § 224; provided, however, that the Town does not waive any rights to present a case at the PSB consistent with Section 10 below, nor does it concede that it lacks any jurisdiction that it has by law. The Town shall retain the right to appeal a PSB decision regarding the Project, limited to the following: (i) the PSB decision is materially inconsistent with the Project as proposed by TDI-NE and reflected in this agreement (including any significant or material project changes of which TDI-NE has notified the Town and to which the Town has objected), and (ii) the PSB decision creates additional material burdens to the Town over and above any associated with the Project as originally proposed by TDI-NE, and those burdens are not otherwise mitigated by TDI-NE.
 - e. The Town represents that any approvals or permission given hereunder shall satisfy all its rights and obligations under local ordinances and state statutes; provided, however, that the Town makes no representations concerning the Project’s compliance with municipal zoning bylaws, due its exemption therefrom under 24 V.S.A. § 4413(b) as a Section 248 electric transmission facility.

5. Potential Impacts to Private Property

- a. TDI-NE affirms that, at present, it anticipates and intends that it will either own any and all private lands within the Town upon which construction activities will occur or reach an agreement allowing such activities with the owner(s) of any such private lands.
- b. TDI-NE has worked and will continue to work with consulting engineers and state officials to ensure that the Project is built and operated in a safe and commercially sound manner. In addition,
 - i. Before beginning construction in Ludlow, TDI-NE must provide certificates of insurance to show that the following minimum coverages are in effect. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of TDI-NE for its operations. These are solely minimums that have been established to protect the interests of the Town.

Workers Compensation: TDI-NE shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: TDI-NE shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises – Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$2,000,000 Per Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/Legal Liability

TDI-NE shall name the Town of Ludlow and its officers and employees as additional insureds for liability arising out of the portion of the Project within the town highways of the Town of Ludlow.

Automotive Liability: TDI-NE shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Project. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

TDI-NE will ensure that its contractors carry sufficient liability insurance to cover private property damage claims. Evidence of such insurance will be filed with the Town upon request;

- ii. Prior to construction, TDI-NE will undertake any necessary or appropriate baseline monitoring of conditions concerning private properties that have the potential to be affected by the Project, as determined by TDI-NE's consulting engineers and consistent with the baseline monitoring plan submitted by TDI-NE to the PSB for review and approval in connection with blasting activities. Such monitoring may include water well testing, surveying of septic systems, and/or inventorying the current condition of roads and drainage systems;
 - iii. TDI-NE agrees to identify a contact person and phone number that private property owners may contact; and
 - iv. TDI-NE agrees that it will act in good faith to respond in a timely manner to any reports of physical damage to private property, to ascertain whether the damage was caused by the Project, and, if so, to remedy the damage.
- c. The Parties agree that any legal rights, responsibilities, and obligations with respect to private property damage claims are matters between TDI-NE and private landowners, and this Agreement shall not create any rights of persons or entities other than the Parties to enforce this Agreement or affect any rights of the Town to enter into, mediate, or enforce any such obligations in court or otherwise.

6. Changes to Project

The Parties acknowledge that the PSB has ultimate regulatory authority over the Project. If the PSB grants a CPG and TDI-NE chooses in its sole discretion to proceed with the Project, TDI-NE must build the Project in accordance with the terms of such approval. The Agreement pertains only to the Project as it is presently proposed at the time the Agreement is executed. If it becomes apparent to either party that the Agreement needs to be amended to conform to the terms of the PSB approval, the requesting party shall provide notice and within 30 days thereafter the Parties shall commence to negotiate in good faith to amend the Agreement so that performance is possible within those terms.

7. Warranties and Representations

- a. TDI-NE warrants and represents that, unless the Project is transferred or assigned to an unrelated entity while this Agreement is in effect:
 - i. TDI-NE will, at all times during the term of this Agreement, be the lessee or owner of the Project and have all appropriate rights to access the real property that is necessary to construct and operate the Project;
 - ii. TDI-NE will, at all times while this Agreement is in effect, maintain the adequate

financial resources or have access to the adequate financial resources required to perform all of the obligations herein to be performed by it;

- iii. TDI-NE will, at all times this Agreement is in effect, have the power to assure that services or equipment or materials for the Project will be performed, furnished, or installed, as the case may be;
 - iv. TDI-NE will, at all times this Agreement is in effect, be responsible for the operation and maintenance of the buried cable system within the Town of Ludlow, either directly or through a contracted entity.
- b. TDI-NE will require insurance, performance bonds, or other appropriate forms of guaranty of all its contractors and others working on the Project, as determined by TDI-NE in accordance with good industry practice. Without limiting the foregoing, TDI-NE agrees to require a performance bond from its EPC contractor that will at a minimum cover the work to be conducted on Ludlow town roads. Proof of such bonds or other forms of guaranty shall be furnished to the Town upon the Town's request.
- c. TDI-NE shall hold harmless the Town from any and all claims, disputes, and legal or regulatory actions that may be brought against the Town as a direct or indirect result of any claims associated with TDI-NE's negligence or willful misconduct. Notwithstanding the above, TDI-NE shall not be obligated to indemnify the Town for acts of negligence or willful misconduct or for any other actions by the Town that are in derogation of its obligations under law or this Agreement.

8. Transferees, Successors, and Assigns

- a. TDI-NE may assign this Agreement in connection with the financing supporting construction of the Project as described in Section 8.c. below and may assign this Agreement otherwise, provided that, in the latter case, any such assignment shall not become effective unless and until such assignee assumes in writing the obligations and rights of TDI-NE hereunder. Upon delivery of written confirmation of such assumption to the Town, TDI-NE shall be released from its obligations hereunder, provided that for any partial transfer of the Project or transfer of a component of the Project, TDI-NE shall remain liable for its obligations hereunder with respect to the portion or components of the Project it retains.
- b. This Agreement in its entirety shall apply to, inure to the benefit of, and, with the exception of an assignment in connection with the financing supporting construction of the Project as described in Section 8.c. below, be binding upon and enforceable against the Parties hereto and their successors and assigns.
- c. In addition to the foregoing, TDI-NE is authorized to collaterally assign the rights and interests afforded to TDI-NE by this Agreement to a party or parties providing the debt financing for the Project, and the Town acknowledges that, in the case of any such

collateral assignment, this Agreement shall not be binding upon or enforceable against such assignee or assignees unless and until, and then only to the extent that, such assignee or assignees elect to exercise its right to displace the assignor and assume the assignor's rights and obligations pursuant to this Agreement.

9. Maintenance and Fire Protection

- a. TDI-NE warrants that it will operate the Project in accordance with prudent industry practices and in accordance with the manufacturers' requirements for maintenance of Project equipment.
- b. In the event that the Project receives fire protection or emergency services through the Town that result in a greater than normal expense to the Town, TDI-NE will reimburse the Town for the reasonable incremental expense attributable to the provision of such services to the Project, including additional training, if necessary.

10. Cooperation by the Parties

- a. The Town agrees to support approval of TDI-NE's Section 248 petition at the PSB, including, if necessary, the filing of appropriate testimony, exhibits, and other filings related to the Project's compliance with the Section 248 criteria, including but not necessarily limited to subsections (b)(1) and (b)(5). The Town further agrees to cooperate with TDI-NE before the PSB and other state, federal, and county instrumentalities. The Parties acknowledge that the Town may present its independent position on issues to be decided by the PSB, provided the Town acts consistently with this Agreement.
- b. If, after the execution of the Agreement, TDI-NE discloses to the Town any proposed substantial changes to the Project that may materially impact the Town's rights hereunder and if the Town concludes that such changes are acceptable, the Town, acting within the bounds of its authority, will cooperate with TDI-NE with respect to such changes in dealing with any state, federal, or county instrumentalities.
- c. TDI-NE and the Town have entered this Agreement in good faith and each agree and covenant to abide by its terms.

11. Effective Date and Term of Agreement

- a. The Agreement shall be effective upon its execution by the Parties.
- b. The Agreement shall be in effect during the commercial operation of the Project, provided that Section 1.c. shall survive the termination of commercial operation of the Project.

- c. Nothing in this Agreement shall obligate TDI-NE to build or operate the Project, any such decision being within TDI-NE's sole discretion. All payment obligations hereunder shall be in effect only during the time in which the Project is commercially operated.
- d. This Agreement shall terminate if the PSB denies TDI-NE's petition to construct and operate the Project and such denial is upheld on appeal, if an appeal is taken.

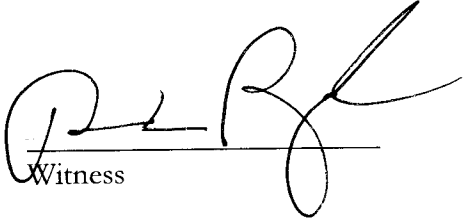
12. Recording of the Agreement

The parties shall record this Agreement in the land records of the Town of Ludlow at TDI-NE's expense.

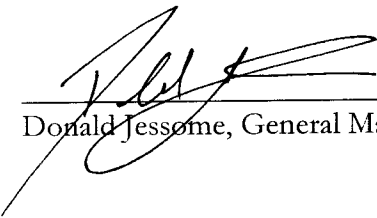
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed
as of this 2^d day of July, 2015.

CHAMPLAIN VT, LLC.



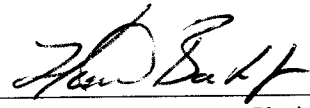
Witness

By: 

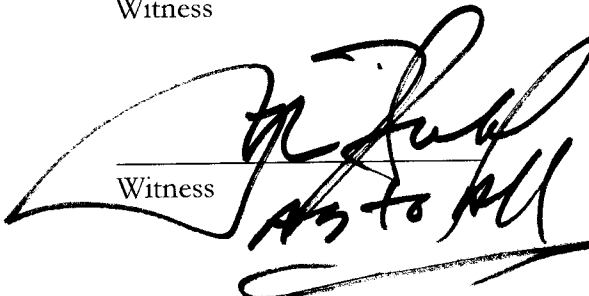
Donald Jessome, General Manager

THE TOWN OF LUDLOW

Witness

By: 

Howard Barton, Jr., Chairman

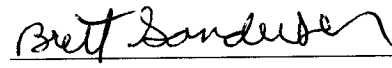


Witness

By: 

Bruce Schmidt, Vice Chair

Witness

By: 

Brett Sanderson, Member

Witness

By: 

Logan Nicoll, Member

Witness

By: _____
John Neal, Member

Attachment I to TDI-NE -- Town of Ludlow Host Town Agreement

Section 1111 Approval

HOST TOWN AGREEMENT

Champlain VT, LLC and the Town of Alburgh, Vermont

This Agreement is by and between the Town of Alburgh, Vermont (“Alburgh” or “the Town”), and Champlain VT, LLC d/b/a TDI New England, a Delaware limited liability company with its principal office at 600 Broadway, Albany, NY 12207 (“TDI-NE”). The Agreement concerns TDI-NE’s proposal to construct and operate the New England Clean Power Link (“NECPL” or “Project”), a proposed 1,000 MW HVDC electric transmission line. An approximately 0.5 mile portion of the proposed transmission line will be located in the Town on both private land (0.2 miles) and town highways (0.3 miles).

1. Use of Town Roads

- a. The Town grants TDI-NE a permit to use and occupy the right of way of Town Highway 7 (Bay Road) in the Town of Alburgh, pursuant to 19 V.S.A. § 1111 and 30 V.S.A. § 2502. The location and design of TDI-NE’s transmission line within the Bay Road right-of-way is set forth on plans attached hereto as “Exhibit A”.
- b. TDI-NE will have the right to utilize portions of Bay Road for the construction, reconstruction, maintenance, relocation (with subsequent Town approval), inspection, repair, replacement, and operation of an electric transmission line within the Bay Road right-of-way in such manner as not to interfere with repairs of Bay Road or the public convenience in traveling upon Bay Road, as further defined in Section 1.c. below. TDI-NE will have the right to engage in all other reasonably necessary actions, including the right of ingress and egress to and from TDI-NE’s utility right-of-way.
- c. TDI-NE will provide the Town of Alburgh notice ninety (90) days prior to commencement of construction and will hold a pre-construction meeting with the Alburgh Road Commissioner and Foreman to review the timeframe and details associated with its construction. TDI-NE will promptly repair or correct any damage to town highways and related infrastructure caused by TDI-NE or its contractors during construction of the Project and will restore the same as near as reasonably practical to its condition prior to construction, which shall include but not be limited to completely repaving the entire traveled way of Bay Road from the Canadian border to the southern property line of 55 Bay Road after construction is completed. TDI-NE agrees that it shall, during construction, reconstruction, repair or replacement of its transmission line, adequately control motor vehicle and pedestrian traffic on Bay Road and keep it open to the general circulation of vehicles at all times with at least one lane of traffic of sufficient width and of adequate surface for vehicles to proceed above the area of construction in a reasonably convenient manner.
- d. TDI-NE will provide to the Town the final “as-built” drawings for any improvements within the Bay Road right-of-way within a reasonable period of time after completion of construction activities.
- e. During the commercial operation of the Project, the Town may require TDI-NE to relocate the transmission line within a different portion of the Bay Road right-of-way, but only where: (i) such relocation would be necessary by work to be performed by the Town for maintenance and improvement of Bay Road or public utilities within the Bay Road right-of-way; (ii) there is no reasonably practical alternative to the Town to avoid relocation of the

TDI-NE transmission line; (iii) the Town provides TDI-NE at least 270 days advance notice; and (iv) the Town works with TDI-NE in good faith to avoid relocation where practical, and if not practical, to manage the relocation to minimize disruption to the operation of the Project.

- f. TDI-NE shall have the right to permanently discontinue use of the electric transmission line and associated facilities within Bay Road and to permanently abandon them in place, provided that TDI-NE provides the Town with advanced written notice of at least 180 days. After receipt of such notice, TDI-NE and the Town shall meet to discuss and resolve in good faith any issues concerning the transmission line and associated facilities being abandoned in place, including inspection of the transmission line if necessary. Should TDI-NE exercise its rights under this subsection to permanently discontinue and abandon the transmission line and associated facilities in place, it shall provide a bill of sale for the transmission line and associated facilities located within the right of way of Bay Road to the Town, and such transmission line and associated facilities shall become the property of the Town upon the Town's payment of Ten Dollars (\$10.00) to TDI-NE.

2. Municipal Property Taxes

During the time that the NECPL project is commercially operating, TDI-NE will pay property taxes on the Project's transmission cables and associated equipment that are located in Alburgh, in accordance with applicable law. In addition to the electrical equipment in Alburgh, TDI-NE shall be separately obligated to pay property taxes on any real property that it owns in Alburgh.

3. Communications

TDI-NE will maintain a Vermont office during construction. A 24-hour/day telephone number will be established for emergencies. TDI-NE will notify the Town of work taking place within Alburgh and will make available the relevant plans, construction schedule, and the contact information of the TDI-NE project manager.

4. Other Provisions

- a. The Town agrees not to oppose either TDI-NE's petition for a Certificate of Public Good for the Project before the Vermont Public Service Board (PSB), Docket No. 8400, filed December 8, 2014, or TDI-NE's applications for approval of the Project to any other state and federal regulatory agencies.
- b. Changes to the Project. This Agreement pertains only to the Project as it is presently proposed at the time this Agreement is executed. If TDI-NE makes any changes to the Project that could materially impact the Town's rights hereunder or if impacts from construction or operation of the Project differ materially from those anticipated at the time of the PSB's issuance of a Certificate of Public Good for the Project, the parties shall negotiate in good faith to amend the Agreement as necessary. The parties acknowledge that should they fail to reach agreement to amend the Agreement, the Town may present its position to the PSB concerning such Project changes, provided the Town otherwise acts consistently with this Agreement.
- c. TDI-NE may assign this Agreement, and may pledge or mortgage its rights hereunder as security for its indebtedness. This Agreement shall be binding upon and enforceable against TDI-NE and the Town and their respective successors and assigns.

- d. The Agreement shall be effective upon its execution. Nothing in this Agreement shall obligate TDI-NE to build or operate the Project, any such decision being within TDI-NE's sole discretion.
- e. TDI-NE will record this Agreement in the land records of the Town of Alburgh.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of this 1st day of June, 2015.

Elizabeth Babich
Witness

CHAMPLAIN VT, LLC

By:

Donald Jessome
Donald Jessome, General Manager and Duly Authorized Agent

TOWN OF ALBURGH

Witness

By:

Stephen Aubin, Selectboard Chair and Duly Authorized Agent

- d. The Agreement shall be effective upon its execution. Nothing in this Agreement shall obligate TDI-NE to build or operate the Project, any such decision being within TDI-NE's sole discretion.
- e. TDI-NE will record this Agreement in the land records of the Town of Alburgh.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of this 3 day of June, 2015.

CHAMPLAIN VT, LLC

Witness

By: _____
Donald Jessome, General Manager and Duly Authorized Agent

TOWN OF ALBURGH

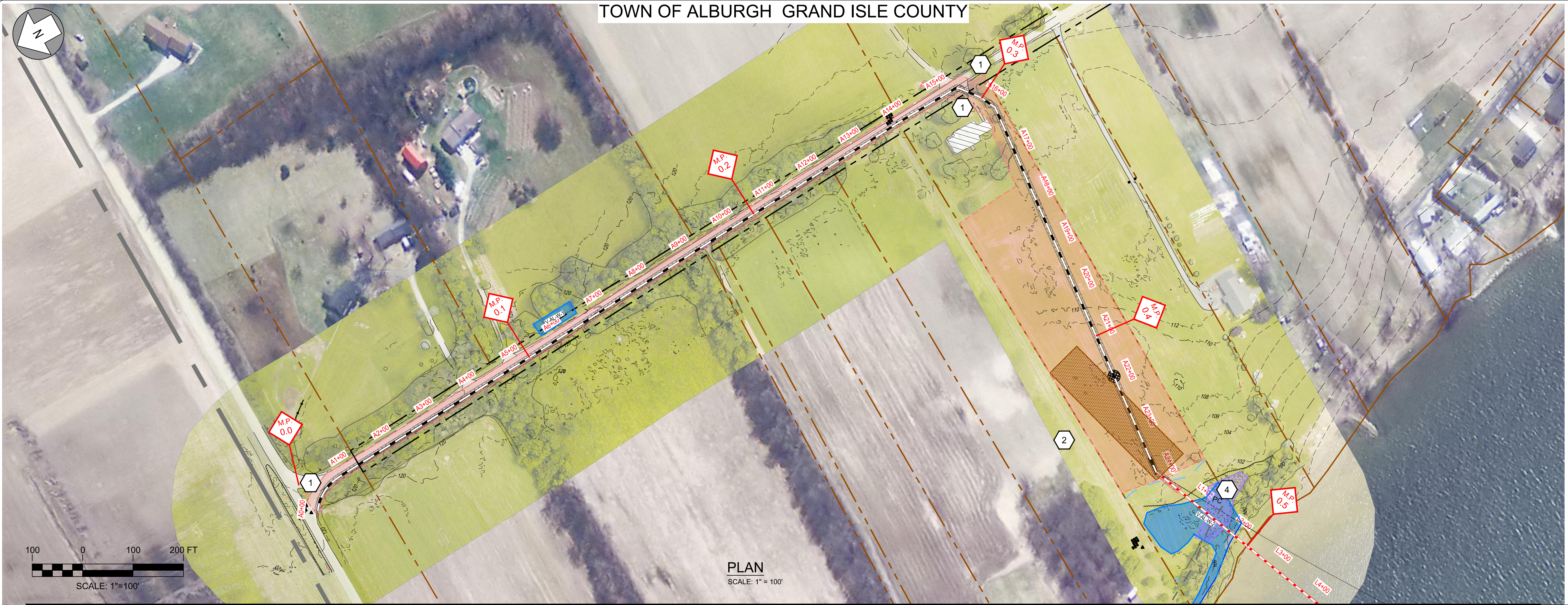
Donald Bohannon
Witness

By: _____
Stephen Aubin, Selectboard Chair and Duly Authorized Agent

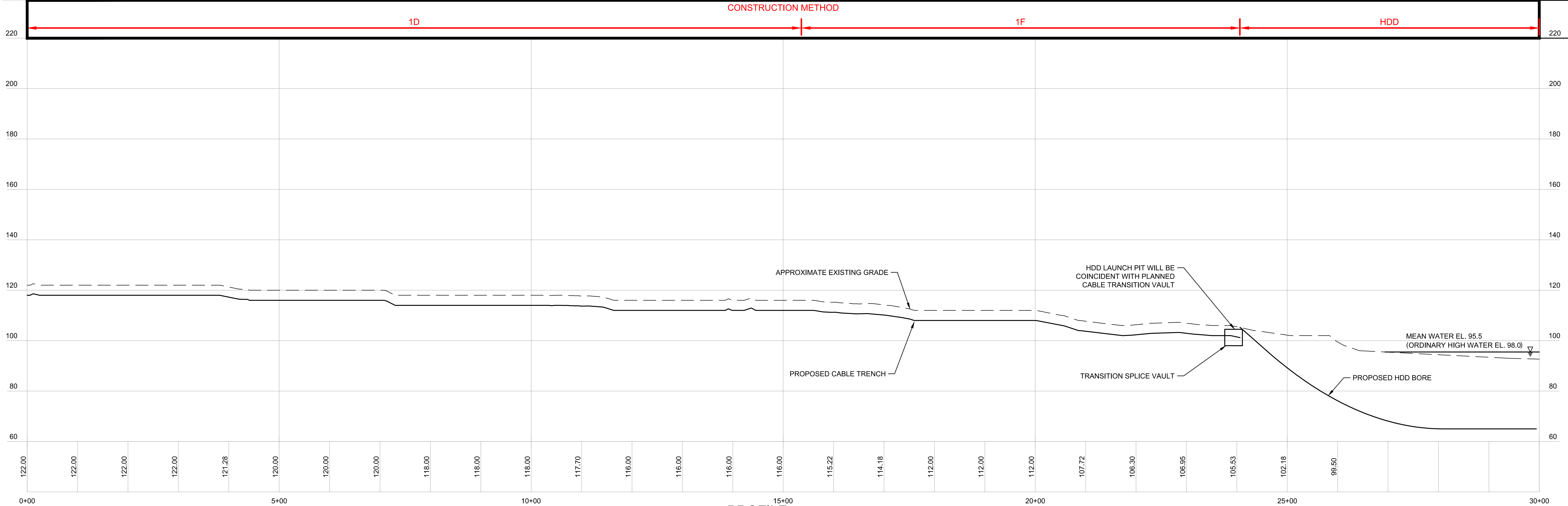
TOWN OF ALBURGH GRAND ISLE COUNTY

EPSC WORK NOTES

- 1 INSTALL STABILIZED CONSTRUCTION ENTRANCE.
SEE TYPICAL DETAIL ON SHEET TD-2.
- 2 DEMARCATATE LIMIT OF DISTURBANCE AND
INSTALL PERIMETER CONTROLS IN ACCORDANCE
WITH GENERAL EPSC NOTES AND
CONSTRUCTION METHOD TYPICAL DETAILS ON
SHEETS G-5, CM-1 AND CM-4.
- 3 DEMARCATATE AND AVOID POTENTIAL ROOSTING
TREE.
- 4 DEMARCATATE AND AVOID RTE POPULATION.



PLAN
SCALE: 1" = 100'



PROFILE
SCALE: HORIZ: 1" = 100'
VERT: 1" = 20'

REFER TO SHEETS CM-1 THROUGH CM-5
FOR CONSTRUCTION METHOD DETAILS.

Designed	.
Drawn	.
Checked	.
Approved	.
Scale	AS NOTED

No.	Revision	Date	By	Ck	PE	PE #
A	20% ANR Submission	12/5/14	TRC	AMW		
B	EPSC & PERMITS IFCR	3/6/15	TRC	AMW		
C	ISSUED FOR USE	3/27/15	TRC	AMW		
D	MODIFIED CABLE ALIGN.	5/22/15	TRC	AMW		

TDI New England
NEW ENGLAND CLEAN POWER LINK
TDI New England
Plan & Profile - Overland Route - Alburgh
L-TR-1
Prepared by: **CTRC** 9/19/14

LEASE OPTION AGREEMENT

THIS LEASE OPTION AGREEMENT (this "Agreement") is made and entered into as of this 17th day of July, 2015 (the "Effective Date"), by and between the State of Vermont, Agency of Transportation (hereafter the "State" or the "Grantor"), and Champlain VT, LLC d/b/a TDI New England, (hereafter the "Grantee").

WHEREAS, the Grantor wishes to grant to the Grantee an option to enter into a lease agreement to use and occupy utility rights of way and corridors within certain State rights-of-way in the form attached hereto; and

WHEREAS, the Grantee wishes to acquire from the Grantor an option to enter into a lease agreement to use and occupy utility rights of way and corridors within such State rights-of-way in the form attached hereto;

NOW, THEREFORE, in consideration of the mutual covenants of the parties and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option; Consideration. In consideration of the option payments described in Section 2 hereof, the Grantor hereby grants to the Grantee the option (the "Option") to enter a lease agreement to use and occupy utility rights of way and corridors within the State rights-of-way in the form attached hereto and entitled "Lease Agreement Between State of Vermont, Agency of Transportation and Champlain VT, LLC d/b/a TDI New England" attached to this Agreement as Exhibit A (the "Lease Agreement").

2. Option Payments. In consideration of the Option, the Grantee shall make the following option payments to the Grantor:

- a. \$25,000 payable no later than thirty (30) days following the Effective Date.
- b. \$75,000 following the Grantee's receipt of all of the following permits: the Vermont Section 248 Certificate of Public Good, the Presidential Permit, and the Army Corps Permit (collectively, the "Permits"). The one-time \$75,000 payment shall be payable no later than thirty (30) days following the Grantee's receipt of the last of the three Permits.

3. Term of Option. The term of the Option shall commence on the Effective Date and shall expire on the first to occur of (i) the thirtieth (30th) day following the closing of the Grantee's financing for the construction of the Project, or (ii) the three (3) year anniversary of the Effective Date. If the Grantee does not exercise the Option prior to the expiration of the term of the Option, the Option and the Grantee's rights hereunder shall automatically terminate.

4. Exercise of Option. At any time prior to the expiration of the term of the Option, the Grantee may exercise the Option by delivery of written notice of exercise to the Grantor. In the event that the Grantee exercises the Option, the terms of the Lease Agreement attached hereto as Exhibit A shall automatically become effective as of the date set forth in the written notice from the Grantee to the Grantor, which date shall not be later than sixty (60) days from the date of such written notice.

5. Recording Prohibited. This Agreement shall not be recorded. The parties agree to execute and record a notice of option at the Grantee's expense in the customary Vermont form.

6. Default.

- a. In the event of any alleged material default or perceived failure to perform any material obligation under this Agreement, the non-defaulting party shall give the alleged defaulting party written notice thereof, which notice shall include a description of the alleged default, the acts required to cure the same with reasonable specificity, and allowance of a reasonable time within which the alleged defaulting party shall cure the alleged default. If the alleged default is not fully remedied within that time, the party having received the notice shall be deemed in “Default” of this Agreement.
- b. In the event that the Grantor is in Default of this Agreement, then the Grantee may in its sole discretion, in addition to any other remedies available at law or in equity, tender performance of the obligations of the Grantee and specifically enforce all obligations of the Grantor.
- c. In the event that the Grantee is in Default of this Agreement, then the Grantor, as its exclusive remedy and in lieu of any other relief, shall be entitled to terminate this Agreement by giving the Grantee written notice of termination and to retain all consideration paid the by Grantee for the Option as liquidated damages. The Grantor acknowledges (a) the adequacy of this exclusive remedy, and (b) that this limitation of remedies is an essential part of this Agreement from the perspective of the Grantee.

7. Governing Law. It is agreed that this Agreement shall be governed by, construed and enforced in accordance with, the laws of the State of Vermont, without regard to conflicts of law principles.

8. Modification. This Agreement may not be modified except in writing signed by each party.

9. Waiver. Failure of any party to insist upon strict performance of any term, condition or covenant set forth in this Agreement shall not be deemed a waiver of any right or remedy such party may have and shall not be deemed consent to any subsequent breach or default of such term, condition or covenant.

10. Notices. All notices or other communication required or permitted to be given or delivered hereunder shall be in writing and shall be sent by email, nationally recognized overnight courier (e.g., Federal Express) or certified mail, postage prepaid and return receipt requested, or shall be delivered personally. Any such notice or other communication shall be deemed given: (i) if mailed, three days after being deposited in the mail, properly addressed and with postage prepaid; (ii) if sent by email, when transmitted provided that the sender has not received any evidence of delivery failure; or (iii) if sent by overnight service, next-day after sending.

11. Dispute Resolution. In the event of any disagreement over the interpretation of this Agreement or the implementation of any provision of this Agreement that cannot be resolved informally amongst the Parties, the disagreement shall be resolved in the following manner:

- i. The Parties shall meet and make a good faith effort to resolve any dispute. The Parties shall consider the use of alternative dispute resolution to resolve any

dispute.

- ii. If the dispute cannot be resolved by the Parties, any Party can petition the Secretary of the Agency of Transportation for the resolution of the matter, whose decision shall constitute the final administrative decision for purposes of appeal.
- iii. If either Party remains unsatisfied with the decision of the Secretary, the dispute may be resolved by initiating litigation in the Vermont Superior Court, Washington Unit.

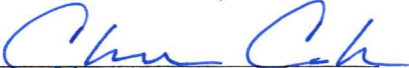
12. Successors and Assigns. TDI-NE may assign this Agreement with the written consent of VTrans, such consent not to be unreasonably withheld, delayed or conditioned. Any such assignment shall not become effective unless and until such assignee assumes in writing the obligations and rights of TDI-NE hereunder. Upon delivery of written confirmation of such assignment to VTrans, TDI-NE shall be released from its obligations hereunder.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Lease Option Agreement as of the Effective Date.

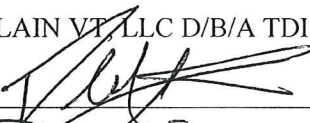
GRANTOR:

STATE OF VERMONT, AGENCY OF TRANSPORTATION

By: 
Name: CHRIS COLE
Title: DEPUTY SECRETARY

GRANTEE:

CHAMPLAIN VT LLC D/B/A TDI NEW ENGLAND

By: 
Name: Renato Jessone
Title: General Manager

APPROVED AS TO FORM

DATE: 7-17-15


ASSISTANT ATTORNEY GENERAL

EXHIBIT A

Lease Agreement

(See attached)

LEASE AGREEMENT
BETWEEN STATE OF VERMONT, AGENCY OF TRANSPORTATION
AND
CHAMPLAIN VT, LLC d/b/a TDI NEW ENGLAND

1. Parties. This is a real estate lease (hereafter the "Lease" or "Agreement") between the State of Vermont, Agency of Transportation (hereafter "State" or "Lessor"), and Champlain VT, LLC d/b/a TDI New England (hereafter "TDI-NE" or "Lessee"), a limited liability company organized in Delaware with its principal place of business at P.O. Box 155, Charlotte, Vermont 05445, collectively, "the Parties."

2. Subject Matter/Preliminary Statement. TDI-NE filed a Section 248 Petition in December 2014 with the Vermont Public Service Board requesting permission to develop, construct, and operate the New England Clean Power Link ("NECPL" or "Project"), a proposed electric transmission line. The electricity shipped through the NECPL will be generated by renewable energy sources in Canada and will be delivered to Vermont and the New England electric grid. The transmission line will utilize high voltage direct current (HVDC) technology, capable of transmitting 1,000 megawatts (MW) of electricity. The transmission line will begin at a converter station in the Province of Québec, Canada and transmit electricity from Alburgh, Vermont to Ludlow Vermont, where it will tie into a new converter station. The Ludlow converter station will convert the electrical power from direct current ("DC") to alternating current ("AC") and then connect to the 345 kV Coolidge Substation in Cavendish, Vermont that is owned by the Vermont Electric Power Company ("VELCO"). The underwater portions of the transmission line, approximately 97 miles in length, will be buried in the bed of Lake Champlain, except at water depths of greater than 150 feet where the cables will be placed on the bottom. The terrestrial portions of the transmission line, approximately 57 miles in length, will be buried underground within existing public rights-of-way ("ROWs").

This Lease allows TDI-NE to use and occupy utility rights of way and corridors within the following State rights-of-way:

- portions of VT 22A (from Benson to Fair Haven) (8.1 miles)
- US 4 (limited access)(from Fair Haven to Rutland Town) (17.2 miles)
- US 7 (limited access)(Rutland Town to Clarendon) (2.6 miles)
- VT 103 (from Clarendon to Ludlow) (14.3 miles),
- a 3.5 mile segment of the State-owned rail corridor in Shrewsbury, leased to and operated by Green Mountain Railroad Corporation (GMRC), and
- VT 100 (Ludlow) (0.8 miles).

The above distances and segments are based upon TDI-NE's preliminary design plans as filed in the Section 248 proceeding. The final location of the leased premises (the "Premises") and the controlling specific engineering conditions for TDI-NE's use of the Premises are to be set forth in the VTrans Section 1111 Permit to be issued to TDI-NE, consistent with the VTrans Letter of Intent attached hereto as Attachment E (the "Letter of Intent"), as it may be amended from time to time, as well as the Master Licensing Agreement which TDI-NE will enter with VTrans and GMRC, attached hereto as Attachment G.

3. Term/Renewal.

The Lease is for a term of forty years (40), beginning on the date TDI-NE exercises the Lease Option pursuant to the Lease Option Agreement dated July 17, 2015, but in no event later than July 17, 2018 (the "Commencement Date") and terminating on the forty year anniversary of the Commencement Date unless the Initial Term shall sooner be terminated or extended under the provisions of this Lease. Provided that TDI-NE is not in default, TDI-NE shall have one (1) option to extend this Lease for an extension term of nine and one-half (9.5) years (the "Extension Term," and collectively with the Initial Term, the "Term"). The option shall be automatically renewed without any further act or deed by TDI-NE, unless TDI-NE provides the State with written notice not less than one year prior to the end of the Initial Term that it is not exercising said option.

During the Initial Term and any such Extension Term, the rent shall be that set forth in Attachment B of this Lease. In the event that TDI-NE desires to continue the lease beyond the Extension Term, it shall notify VTrans no less than 90 days prior to the ending date of the Extension Term. In such an event, the Parties agree to negotiate in good faith concerning the terms of a replacement lease, if any.

Should TDI-NE, with the State's consent, continue to use and/or occupy the Premises after the expiration of the Extension Term without having negotiated the terms of a new lease agreement, then this Lease shall be considered as renewed on a year-to-year basis and shall continue in effect from year to year upon the same terms and conditions as contained in this Lease for Extension Term, subject to termination as provided herein. This provision shall not apply to TDI-NE's right to abandon the cables in place as provided for in Attachment A hereto, and which shall not result in the obligation to pay any additional rents.

4. Amendment. No changes, modifications or amendments in the terms and conditions of this Lease shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and TDI-NE, and approved by the Attorney General's Office.

5. Attachments. This Lease consists of ____ pages, including the following attachments, which are incorporated herein:

<u>Attachment A</u>	Description of the Premises and Use
<u>Attachment B</u>	Annual Rent
<u>Attachment C</u>	Standard State Provisions for Contracts and Grants
<u>Attachment D</u>	Other Lease Provisions

6. Fiber Optic Cable.

- a. TDI-NE shall convey to VTrans the ownership of all the dark fiber installed as part of the Project (“Project Fiber”) that TDI-NE determines, in its sole discretion, is not directly needed by TDI-NE to operate its facility and therefore are incidental to the project (“VTrans’ Fiber”). TDI-NE expressly disclaims any commercial interest in the leasing, sale or commercial operation of any of the fiber optic cable it installs as part of the Project for any purpose other than the direct operation of its facility. At the present time TDI-NE anticipates needing eight (8) strands but may determine to utilize additional strands. VTrans understands that TDI-NE has made informal agreements with Green Mountain Railroad Corp. (“GMRC”) and Vermont Electric Cooperative (“VELCO”) to require VTrans to convey some fiber optic cable to those entities for the direct operation of their facilities and VTrans agrees to make reasonable efforts to negotiate contractual terms with those entities, including terms providing fiber optic cable to those entities solely for the direct operation of their facilities at cost with no markup.
- b. TDI-NE plans to install the Project Fiber as a single fiber optic bundle as a component of its Section 248 petition in order to utilize the fiber strands for the Project as noted above. The Parties acknowledge, however, that 30 VSA Section 248 does not expressly authorize the installation of any facilities not otherwise required to construct or operate TDI’s facility. The Project requires fiber from a Converter Station in Canada through Lake Champlain to a Converter Station in Ludlow, VT (the “Fiber Route”) and does not require any “fiber off-ramp facilities” along the route. TDI-NE will install the Project Fiber along the upland Fiber Route through the Town of Alburgh from the Canadian border to Lake Champlain, a distance of approximately one-half of a mile.
- c. Subject to TDI-NE’s final engineering, and with due consideration to be given to VTrans’ specifications for the fiber optic cable, TDI-NE will install fiber optic cable from Benson to the Ludlow converter station using an industry standard 528 fiber strand fiber optic cable (or a similarly sized cable depending upon market availability) in a 2 inch or greater HDPE conduit. The HDPE conduit will be approximately 9-12 inches in distance from TDI-NE’s HVDC cables, except when it is installed using horizontal directional drilling or a comparable technique, in which case it will be installed in the bore hole directly adjacent to the HVDC cables (still within its own HDPE conduit). TDI-NE plans to install “hand-holes” to access the fiber optic cable every 5,000 feet along the route. The Parties acknowledge that it is expected that the planned Project hand-hole designs will accommodate fiber access points required by the State. In the final fiber design the Parties will work together to confirm this understanding. If there are any changes required from the Project plan to accommodate such fiber access points, all additional costs will be at the State’s expense in accordance with this Agreement.

TDI-NE will be responsible for and perform all construction, operations, testing and maintenance work required for the installation of the Project Fiber, including the incremental work required for VTrans' purposes. However, in no event shall TDI-NE be responsible or liable for the ongoing reliability and operation of the VTrans' Fiber.

- d. VTrans shall be responsible for: (i) obtaining any required regulatory approvals for VTrans' use of the VTrans' Fiber or for the construction or use of vaults, splices, or any other facilities or structures of any type which TDI-NE constructs solely in order to meet VTrans' requirements for the VTrans' Fiber (collectively, "VTrans' Fiber Off-Ramp Facilities"); (ii) all costs related to such regulatory approvals, if any; and (iii) all costs incurred by TDI-NE related to the design, installation, operations, and maintenance of the VTrans' Fiber Off-Ramp Facilities, including but not limited to any incremental work required to meet the State of Vermont's telecommunications requirements. Such costs shall consist only of TDI-NE's and its contractor costs on a time and materials basis. TDI-NE shall provide invoices for such costs to VTrans on a periodic basis, with payment due within 30 days thereafter.
- e. TDI-NE will cooperate with VTrans in the planning, permitting, and construction of the VTrans Fiber Off-Ramp Facilities, provided that the schedule for construction of the Project shall be solely at the discretion of TDI-NE. TDI-NE shall have no obligation to delay or modify the construction schedule of the Project in connection with such fiber off-ramp facilities and VTrans agrees to not cause any such delays to the Project's construction schedule. The Parties agree to work in good faith to insure that construction and ongoing maintenance is mutually beneficial, however in all circumstances the construction and operation of the NECPL Project shall take precedence over the fiber optic cable transferred to VTrans.

[REMAINDER OF PAGE LEFT BLANK; SIGNATURE PAGE(S) TO FOLLOW]

IN WITNESS WHEREOF, the STATE of VERMONT has caused this instrument to be subscribed, this ____ day of _____ 2015, by _____, its [Deputy] Secretary of Transportation and duly authorized agent.

STATE OF VERMONT

By: _____,
Its [Deputy] Secretary of Transportation and
Duly Authorized Agent

STATE OF VERMONT)
WASHINGTON COUNTY, ss.)

At Montpelier, this ____ day of _____ 2015, personally appeared _____ and acknowledged the foregoing instrument by him/her as [Deputy] Secretary of Transportation and duly authorized agent for the STATE OF VERMONT subscribed, to be his/her free act and deed and the free act and deed of the STATE OF VERMONT.

Notary Public
My commission expires: _____

IN WITNESS WHEREOF, Champlain VT, LLC d/b/a TDI New England, has caused this instrument to be subscribed in its corporate name, this ____ day of _____ 2015, by Donald Jessome, its _____ and duly authorized agent.

Champlain VT, LLC d/b/a TDI New England

By: _____
Donald Jessome, Duly Authorized Agent

STATE OF _____)
_____ COUNTY, ss.)

At _____, this ____ day of _____ 2015, personally appeared Donald Jessome and acknowledged the foregoing instrument by him as _____ and duly authorized agent for Champlain VT, LLC d/b/a TDI New England, subscribed, to be his free act and deed and the free act and deed of TDI-NE.

Notary Public
My commission expires: _____

APPROVED AS TO FORM:

Dated: _____

Assistant Attorney General

ATTACHMENT A

Description of the Premises and Use

Description of the Premises.

The State hereby leases to TDI-NE the Premises specifically defined in the Section 1111 Letter of Intent, which definition is hereby incorporated by reference, and which includes the following (all distances approximate):

1. VT 22A, from Benson to Fair Haven (8.1 miles);
2. US 4 (limited access), from Fair Haven to Rutland Town (17.2 miles)
3. US 7 (limited access), from Rutland Town to Clarendon (2.6 miles)
4. VT 103, from Clarendon to Ludlow (14.3 miles)
5. a State-owned railroad corridor in Shrewsbury operated by Green Mountain Railroad Corporation (3.5 miles),
6. VT 100, in Ludlow (0.8 miles)
7. Any other road segments or land controlled by VTrans that the parties mutually agree upon.

The above distances and segments are based upon TDI-NE's preliminary design plans. Reference is further made to TDI-NE's Project Plan Set provided as Exhibits TDI-AW-2 and AW-3 in the Section 248 Proceeding and the EPSC Plan filed with the Vermont Department of Environmental Conservation dated 3/27/15, such plans to be replaced with final design plans after issuance of the Section 248 Certificate of Public Good.

Use.

The Premises shall be used by TDI-NE for the construction, reconstruction, maintenance, movement, relocation, inspection, alteration, repair, replacement and operation of cables and associated equipment for the transmission of electricity (including but not limited to fiber optic cables), including the right to abandon such cables in place when the Project is no longer being commercially operated, provided that (1) TDI-NE provides written notification to VTrans at least 180 days prior to such abandonment; (2) TDI-NE takes reasonable action prior to abandonment to prevent voids under the roadway resulting from the abandonment of the cables. As used herein, the term "cables" shall include such surface or subsurface appurtenances and facilities as reasonably deemed necessary or convenient by TDI-NE for its operation and maintenance.

In the event that TDI-NE elects to abandon the cables, the State shall be entitled to elect in its sole discretion to take title to the cables within the Premises by providing notice to TDI-NE within 90 days of receiving TDI-NE's notice of abandonment under (1) above. In the event TDI-NE elects to abandon the cables in place upon termination or expiration of the Lease under Section 3, no rents shall be due thereafter under Attachment B regardless of whether the State elects to take title to the cables,

TDI-NE shall have the right to engage in all actions and activities incidental to, necessary or appropriate for, carrying out the uses set forth above, and/or consistent with the use of the rights

hereby granted and the conditions and specifications set forth in the Permit, including the right of ingress and egress to and from the cables for the exercise of the rights herein granted.

All trees removed from the Premises shall first be offered to VTrans for donation to the Vermont Fuel Assistance Program, and all stumps shall be either ground in place or removed from the Premises.

TDI-NE specifically acknowledges and agrees that the State, as owner of the Premises, may require that TDI-NE relocate the cable facilities should the State determine, in writing, that relocating the cable facilities is necessary for the planning, construction, repair or replacement of a transportation facility in or adjacent to the Premises. In the event that the State determines that such relocation is necessary, the State shall: (a) provide twelve (12) months prior written notice to TDI-NE and sufficient time to relocate its facilities; (b), endeavor to offer suitable substitute property upon which the relocation or adjustment can be effected, and (c) failing the availability of such suitable substitute property, collaborate with TDI-NE so that such property may be promptly obtained by the State, through negotiation and/or the use of eminent domain if the same may be legally resorted to.

ATTACHMENT B

Annual Rent

TDI-NE shall pay State annual rent in advance. During the first year of this Lease and for the first ten (10) years of the Initial Term, annual rent shall be \$4 million per year. The parties agree that the rent provided for hereunder is fair market value ("FMV") rent in accordance with 19 V.S.A. §26a(a).

Commencing in the eleventh (11th) year of the Initial Term, the State and TDI-NE shall adjust the annual rent to be payable annually for the duration of the Initial Term by 1.5% for each remaining year in the Initial Term, as shown in the attached table. Thereafter, the rent shall again be adjusted, and paid, in the same fashion for each successive Extension Term including any period of holdover, unless the Lease is sooner terminated. Annual rent payments shall be due and payable on or before each anniversary date of the Commencement Date of the Initial Term and any of the Extension Terms. The initial rent payment shall be due and payable prior to execution of this Lease by the State.

All rent payments made by TDI-NE hereunder shall be less any rents paid by TDI-NE under the Master License Agreement for use of the railroad segment.

TDI-NE shall make its annual rent payable to "Treasurer, State of Vermont" and each said payment shall be mailed to the State at:

Vermont Agency of Transportation
Financial Operations
One National Life Drive
Montpelier, VT 05633-5001

or as otherwise directed in writing by State.

In the event of past due rent, if such failure is continuing ten (10) business days after written notice of such failure, the State may assess interest on the overdue amount in accordance with the maximum legal rate of interest under the Vermont statutes.

In further consideration for this Lease, TDI-NE shall pay any Vermont Transfer Tax that may be due upon account of this Lease. The Parties shall cooperate in the preparation and execution of a Memorandum of Lease (including a memorandum of any amendments hereto) to be recorded in the land records, together with any transfer tax return that may be required. The Parties expressly agree that a Memorandum of Lease in proper statutory form may be recorded by either the State or TDI-NE.

TDI-NE – VTrans Lease Payment Table

INITIAL LEASE TERM

Lease Year	Payments
1	\$4,000,000
2	\$4,000,000
3	\$4,000,000
4	\$4,000,000
5	\$4,000,000
6	\$4,000,000
7	\$4,000,000
8	\$4,000,000
9	\$4,000,000
10	\$4,000,000
11	\$4,060,000
12	\$4,120,900
13	\$4,182,714
14	\$4,245,454
15	\$4,309,136
16	\$4,373,773
17	\$4,439,380
18	\$4,505,970
19	\$4,573,560
20	\$4,642,163
21	\$4,711,796
22	\$4,782,473
23	\$4,854,210
24	\$4,927,023
25	\$5,000,928
26	\$5,075,942
27	\$5,152,081
28	\$5,229,363
29	\$5,307,803
30	\$5,387,420
31	\$5,468,231
32	\$5,550,255
33	\$5,633,509
34	\$5,718,011
35	\$5,803,781
36	\$5,890,838
37	\$5,979,201
38	\$6,068,889
39	\$6,159,922
40	\$6,252,321

EXTENSION TERM

Lease Year	Payments
41	\$6,346,106
42	\$6,441,297
43	\$6,537,917
44	\$6,635,985
45	\$6,735,525
46	\$6,836,558
47	\$6,939,107
48	\$7,043,193
49	\$7,148,841
49.5	\$3,628,037

ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS (Applicable Excerpts Only)

1. **Entire Agreement:** This Agreement, whether in the form of a Contract, State Funded Grant, or Federally Funded Grant, represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law:** This Agreement will be governed by the laws of the State of Vermont.
3. **Definitions:** For purposes of this Attachment, "Party" shall mean the Contractor, Grantee or Subrecipient, with whom the State of Vermont is executing this Agreement and consistent with the form of the Agreement.
4. ~~**Appropriations:** If this Agreement extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this Agreement, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriation authority. In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, and in the event federal funds become unavailable or reduced, the State may suspend or cancel this Grant immediately, and the State shall have no obligation to pay Subrecipient from State revenues.~~
5. ~~**No Employee Benefits For Party:** The Party understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers compensation or other benefits or services available to State employees, nor will the state withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the Agreement. The Party understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the Party, and information as to Agreement income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.~~
6. **Independence, Liability:** The Party will act in an independent capacity and not as officers or employees of the State. The Party shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Party or of any agent of the Party. The State shall notify the Party in the event of any such claim or suit, and the Party shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Party may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Party shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Party.

The Party shall indemnify the State and its officers and employees in the event that the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Party.
7. ~~**Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed~~

herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

~~*Workers Compensation:* With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.~~

~~*General Liability and Property Damage:* With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:~~

~~Premises—Operations~~

~~Products and Completed Operations—~~

~~Personal Injury Liability Contractual
Liability~~

~~The policy shall be on an occurrence form and limits shall not be less than:~~

~~\$1,000,000 Per Occurrence~~

~~\$1,000,000 General Aggregate~~

~~\$1,000,000 Products/Completed Operations Aggregate~~

~~\$ 50,000 Fire/ Legal/Liability~~

~~Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.~~

~~*Automotive Liability:* The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.~~

~~Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.~~

8. Reliance by the State on Representations: All payments by the State under this Agreement will be made in reliance upon the accuracy of all prior representations by the Party, including but not limited to bills, invoices, progress reports and other proofs of work.

9. Requirement to Have a Single Audit: In the case that this Agreement is a Grant that is funded in whole or in part by federal funds, the Subrecipient will complete the Subrecipient Annual Report annually within 45 days after its fiscal year end, informing the State of Vermont whether or not a Single Audit is required for the prior fiscal year. If a Single Audit is required, the Subrecipient will submit a copy of the audit report to the granting Party within 9 months. If a single audit is not required, only the Subrecipient Annual Report is required.

For fiscal years ending before December 25, 2015, a Single Audit is required if the subrecipient expends \$500,000 or more in federal assistance during its fiscal year and must be conducted in accordance with OMB Circular A-133. For fiscal years ending on or after December 25, 2015, a Single Audit is required if the subrecipient expends \$750,000 or more in federal assistance during its fiscal year and must be conducted in accordance with 2-CFR Chapter I, Chapter II, Part 200, Subpart F. The Subrecipient Annual Report is required to be submitted within 45 days, whether or not a Single Audit is required.

10. Records Available for Audit: The Party shall maintain all records pertaining to performance under this agreement. "Records" means any written or recorded information, regardless of physical form or characteristics, which is produced or acquired by the Party in

the performance of this agreement. Records produced or acquired in a machine readable electronic format shall be maintained in that format. The records described shall be made available at reasonable times during the period of the Agreement and for three years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

11. Fair Employment Practices and Americans with Disabilities Act: Party agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement. Party further agrees to include this provision in all subcontracts.

12. Set Off: The State may set off any sums which the Party owes the State against any sums due the Party under this Agreement; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.

13. Taxes Due to the State:

- a. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- b. Party certifies under the pains and penalties of perjury that, as of the date the Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- c. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
- d. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

14. Child Support: ~~(Applicable if the Party is a natural person, not a corporation or partnership.)~~ Party states that, as of the date the Agreement is signed, he/she:

- ~~a. is not under any obligation to pay child support; or~~
- ~~b. is under such an obligation and is in good standing with respect to that obligation; or~~
- ~~c. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.~~

~~Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.~~

- 15. Sub-Agreements:** Party shall not assign, subcontract or subgrant the performance of this Agreement or any portion thereof to any other Party without the prior written approval of the State. ~~Party also agrees to include in all subcontract or subgrant agreements a tax-certification in accordance with paragraph 13 above.~~
- 16. No Gifts or Gratuities:** Party shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this Agreement.
- 17. Copies:** All written reports prepared under this Agreement will be printed using both sides of the paper.
- 18. Certification Regarding Debarment:** ~~Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs, or programs supported in whole or in part by federal funds.~~
- ~~Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>~~
- 19. Certification Regarding Use of State Funds:** ~~In the case that Party is an employer and this Agreement is a State Funded Grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.~~
- 20. Internal Controls:** ~~In the case that this Agreement is an award that is funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.303, the Party must establish and maintain effective internal control over the Federal award to provide reasonable assurance that the Party is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).~~
- 21. Mandatory Disclosures:** ~~In the case that this Agreement is an award funded in whole or in part by Federal funds, in accordance with 2 CFR Part II, §200.113, Party must disclose, in a timely manner, in writing to the State, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures may result in the imposition of sanctions which may include disallowance of costs incurred, withholding of payments, termination of the Agreement, suspension/debarment, etc.~~
- 22. Conflict of Interest:** ~~Party must disclose in writing any potential conflict of interest in accordance with Uniform Guidance §200.112, Bulletin 5 Section IX and Bulletin 3.5-Section IV.B.~~

(End of Standard Provisions)

ATTACHMENT D

Other Lease Provisions

1. **Default.** The occurrence of any one or more of the following events will constitute an "event of default" on the part of TDI-NE:
 - A. Failure to pay any installment of rent or any other sum required to be paid by TDI-NE under this Lease, and such failure shall continue for ten (10) business days after written notice of such failure is received from State; provided, however, that TDI-NE shall have thirty (30) business days to cure such late payment.
 - B. Failure to perform any of the other covenants or conditions which TDI-NE is required to observe and perform (except for the failure to pay rent or any other monetary obligation contained in this Lease) and such failure should continue for thirty (30) days (or such shorter period of time as may be reasonably specified by State in the event of an emergency presenting risk of loss of life, bodily harm or irremediable property damage) after written notice thereof by State to TDI-NE; provided, however, that if such default is other than the payment of money and cannot be cured within such thirty (30) day period, then an event of default shall not have occurred if TDI-NE commences curing of such failure within thirty (30) days of receiving written notice from the State, and diligently in good faith prosecutes the same to completion and furnishes evidence of completion to State within thirty (30) days thereafter;
 - C. The levy of a writ of attachment or execution or other judicial seizure of substantially all of TDI-NE's assets or its interest in this Lease, such attachment, execution or other seizure remaining undismissed or discharged for a period of thirty (30) days after the levy thereof;
 - D. If TDI-NE shall be declared insolvent according to law;
 - E. The appointment of a receiver or trustee for TDI-NE on all or the majority of TDI-NE's property, which appointment is not discharged within forty-five (45) days after the date of filing; or
 - F. The filing by TDI-NE of a voluntary petition pursuant to the Bankruptcy Code or any successor thereto or the filing of an involuntary petition against TDI-NE pursuant to the Bankruptcy Code or any successor legislation, which petition is not discharged within forty-five (45) days after the date of filing.
2. **Remedies.** Upon the occurrence of an Event of Default under this Lease by TDI-NE, State, without prejudice to any other rights and remedies available to a landlord at law, in equity or by statute, may exercise one or more of the following remedies, all of which shall be construed and held to be cumulative and non-exclusive: Provide written notice of termination, in which case State shall make reasonable efforts to provide TDI-NE sufficient time to relocate its cable facilities. Following the relocation of the TDI-NE

cable facilities, State is authorized to make such repairs or improvements to the Premises as may be necessary in the reasonable opinion of State acting in good faith for the purposes of reletting the Premises. The reasonable costs and expenses incurred in respect of such repairs, and the reasonable expenses of such reletting, shall be paid by TDI-NE to State within thirty (30) business days after receipt of State's statement.

3. **Lessee to Comply with Laws.** TDI-NE shall and will at its own cost and expense promptly comply with any and all requirements at any time affecting the Premises imposed by any present or future, foreseen or unforeseen, law, statute, or governmental authority now existing or hereafter created (excluding, however, any violations existing, entered or filed against or noticed with respect to the Premises on or before the Commencement Date), relating to changes or requirements incidental to or the result of any use or occupation of the Premises by TDI-NE. TDI-NE shall further so comply with each and every applicable rule, order and requirement of any federal, state, municipal, legislative, executive, judicial or other governmental body, commissioner or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof, or exercising any power relative thereto or to the owners, tenants or occupants thereof including compliance with all regulations and permits for TDI-NE's business. TDI-NE shall maintain said Premises and otherwise operate said Premises in conformity with all existing land use permits currently governing the Premises, but only to the extent such land use permits are consistent with the Permit and TDI-NE's Certificate of Public Good and associated environmental permits.
4. **No Waiver.** The failure of State to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions and agreements of this Lease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants or conditions, agreements or options, but the same shall continue and shall remain in full force and effect; and the receipt of any rent or any part thereof, whether the rent be that specifically reserved or that which may become payable under any of the covenants herein contained, and whether the same be received from TDI-NE or from any one claiming under or through TDI-NE or otherwise shall not be deemed to operate as a waiver of the rights of State to enforce the payment of rent or charges of any kind previously due or which may thereafter become due, or the right to terminate this Lease Agreement and to recover possession of the Premises by summary proceedings or otherwise, as State may deem proper, or to exercise any of the rights or remedies reserved to State hereunder or which State may have at law, in equity or otherwise.
5. **Environmental Covenants.** State and TDI-NE shall comply with all applicable environmental laws, rules, regulations, statutes and ordinances, including, without limitation, those applicable to "hazardous substances" (as defined below). To the extent that the release or discharge from the Premises, of hazardous substances (meaning any substance, material or waste regulated under any environmental law defined below) is caused by TDI-NE or its respective employees, agents, licensees, and subcontractors after the Commencement Date, then TDI-NE shall unconditionally, absolutely and

irrevocably agree to indemnify, defend and hold harmless the State and its officers, employees, agents, and contractors, from and against all loss, cost and expense (including, without limitation, attorneys' fees and disbursements and fees of other professionals advising the State) of whatever nature suffered or incurred by the State, including, without limitation, any claims, costs, losses, liabilities and expenses arising from the violation of any environmental laws or the institution of any action by any party against State based upon such release or discharge of hazardous substances at the Premises after the Commencement Date, whether based on nuisance, negligence or other tort theory alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of hazardous substances by TDI-NE or its employees, agents, licensees and subcontractors, or the imposition of a lien on any part of the Premises under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq., as amended ("CERCLA"), or the Vermont Waste Management Statutes, Vt. Stat. Ann. Title 10, Ch. 159, or any other laws pursuant to which a lien or liability may be imposed on State due to the existence of hazardous substances caused by TDI-NE or its employees, agents, licensees and subcontractors. Notwithstanding the foregoing, the State shall take full responsibility for any and all outstanding environmental issues on the Premises, and the existence of hazardous substances on the Premises, and for the release or discharge of hazardous substances to or from the Premises at any time prior to the date that TDI-NE accesses the Premises pursuant to the Permit or the Lease Agreement, whichever is sooner. State shall also take full responsibility for any releases of hazardous substances or any violation (or claimed violation) of any environmental laws or the institution of any action based upon such release or discharge of hazardous substances caused by the State during the Initial Term or any Extension Term of the Lease.

6. **Insurance:** Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the state through the term of the Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.

Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:
\$10,000,000 Per Occurrence
\$10,000,000 General Aggregate
\$10,000,000 Products/Completed Operations Aggregate
\$10,000,000 Fire/Legal/Liability

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Party shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this Agreement.

7. **Transferees, Successors, and Assigns**

- a. This Lease in its entirety shall apply to, inure to the benefit of, and, be binding upon and enforceable against the Parties hereto and their successors and assigns.
- b. TDI-NE may assign this Lease with the written consent of VTrans, such consent not to be unreasonably withheld, delayed or conditioned. Any such assignment shall not become effective unless and until such assignee assumes in writing the obligations and rights of TDI-NE hereunder. Upon delivery of written confirmation of such assumption to VTrans, TDI-NE shall be released from its obligations hereunder.
- c. In addition to the foregoing, TDI-NE may in its sole discretion collaterally assign the rights and interests afforded to TDI-NE by this Lease to a party or parties providing the debt financing for the Project. Any assignment made in connection with financing the construction or operation of the Project shall not relieve TDI-NE from its obligations hereunder. In the case of any such collateral assignment, this Lease shall not be binding upon or enforceable against such assignee or assignees unless and until, and then only to the extent that, such assignee or assignees elect to exercise its or their right to displace the assignor and assume the assignor's rights and obligations pursuant to this Lease, and VTrans consents to such assignment.
- d. As used throughout this Lease, "TDI-NE" shall mean TDI-NE and its successors and assigns, subject to the provisions of this Section 7.

ATTACHMENT E

Section 1111 Permit

[RESERVED]

ATTACHMENT F

MEMORANDUM OF LEASE

KNOW ALL PERSONS BY THESE PRESENTS that the STATE OF VERMONT, AGENCY OF TRANSPORTATION ("Lessor") and CHAMPLAIN VT, LLC d/b/a TDI NEW ENGLAND ("TDI-NE" or "Lessee") have entered into a Lease Agreement (the "Agreement") containing the following terms and conditions:

Parties	<u>LESSOR</u> State of Vermont Agency of Transportation Attn: _____ One National Life Drive Montpelier, VT 05633	<u>LESSEE</u> Champlain VT, LLC Attn: Donald Jessome P.O. Box 155 Charlotte, VT 05445
Property Address (the "Property")	Property located within the right-of-way of VTrans as specifically described in Attachment E to the Lease Agreement.	
Title Reference (Fee Interest)		
Date of Agreement		
Initial Term	40 years	
Initial Term Commencement Date:	Beginning on the date TDI-NE exercises the Lease Option pursuant to the Lease Option Agreement dated July 17, 2015, but in no event later than July 17, 2018	
Initial Term Expiration Date:	40 years after the Initial Term Commencement Date	
Rights to Extend or Renew:	Lessee has the right to extend/renew the Agreement as follows: one (1) option to extend the Initial Term for periods of nine and one-half (9.5) years, pursuant to the terms of the Lease.	
Rights to Purchase:	None.	
Rights of First Refusal:	None.	
Assignment and Sublease:	TDI-NE may assign performance of the Agreement pursuant to the terms of the Lease.	
Location of Lease:	Original lease is kept by Lessee at the address provided above.	

This Memorandum of Lease will be recorded in the Land Records of the Towns of _____ to provide notice of the Lease Agreement, pursuant to 27 V.S.A. § 341(c). To the extent that the terms and conditions of this Memorandum of Lease differ from the terms and conditions of the Lease Agreement, the terms and conditions of the Lease shall govern and prevail.

[Signature pages follow.]

IN WITNESS WHEREOF, the STATE of VERMONT has caused this instrument to be subscribed, this ____ day of _____, _____, by _____, its [Deputy] Secretary of Transportation and duly authorized agent.

Witness

STATE OF VERMONT

By: _____,
Its [Deputy] Secretary of Transportation and
Duly Authorized Agent

STATE OF VERMONT)
WASHINGTON COUNTY, ss.)

At Montpelier, this ____ day of _____, _____, personally appeared _____ and acknowledged the foregoing instrument by him/her as [Deputy] Secretary of Transportation and duly authorized agent for the STATE OF VERMONT subscribed, to be his/her free act and deed and the free act and deed of the STATE OF VERMONT.

Notary Public
My commission expires: _____

IN WITNESS WHEREOF, Champlain VT, LLC d/b/a TDI New England, has caused this instrument to be subscribed in its corporate name, this ____ day of _____, _____, by Donald Jessome, its _____ and duly authorized agent.

Witness

Champlain VT, LLC d/b/a TDI New England

By: _____
Donald Jessome, Duly Authorized Agent

STATE OF _____)
_____ COUNTY, ss.)

At _____, this ____ day of _____, _____, personally appeared Donald Jessome and acknowledged the foregoing instrument by him as _____ and duly authorized agent for Champlain VT, LLC d/b/a TDI New England, subscribed, to be his free act and deed and the free act and deed of TDI-NE.

Notary Public
My commission expires: _____

ATTACHMENT G

Railroad Master License Agreement

[RESERVED]



License

Vermont Fish and Wildlife Department

1 National Life Drive, Davis 2
Montpelier, VT 05620

Docket No. 8400
Exh. TDI-JMB-26

1. **Licensee Name:** Champlain, VT, LLC d/b/a TDI New England
Address: P.O. Box 155, Charlotte, VT 05445
Phone/email: (802) 885-3890
2. **License Period:** 10 Years, with Renewals per Sec. 8
Effective Date: July 1, 2015
Expiration Date: June 30, 2015
Authorization #: 262-00-BU1-2015
3. **Principal Officer:** Donald Jessome
4. **Sub-Licensee(s):** N/A
5. **Fee:** Thirty (30) days prior to commencing authorized activities as set forth in Paragraph 6, Licensee shall deposit a one-time payment, of \$350,000, to cover the design, permitting and construction and maintenance costs to be incurred by the Department for the construction of a boat ramp at the Korean War Veterans Access Area in Alburgh, VT in an escrow account. The fee payment shall be deposited in an escrow account established by Licensee, no later than one month after the Licensee has the financial closing for its proposed New England Clean Power Link Project (NECPL). The Licensee shall pay the Department the total fee amount within one month of notice from the Department of the completion of the construction of the boat ramp. The Licensee shall not be responsible for any permitting, construction, or maintenance costs of the boat ramp that exceed \$350,000.
6. **Authorized Activity:** To enter onto the Licensed Area, as defined in section 7 below, to erect, construct, repair, maintain, reconstruct, relocate, operate, inspect and remove facilities for the transmission of electricity and for the transmission of data across Fish and Wildlife Department lands in connection with Licensee's NECPL, subject to the conditions described herein.
7. **Location Where Authorized Activity May Be Conducted:** Korean War Veterans Access Area, hereinafter, the "Licensed Area;" located in the town of Alburgh. See attached Attachment A and map for a more specific description of the temporary construction area and long term Licensed Area.
8. **Conditions:**
 - A. The terms of this License are conditioned upon the receipt of a Certificate of Public Good from the Vermont Public Service Board in Docket Number 8400 and the Licensee's financial closing for its proposed New England Clean Power Link Project (NECPL). The License shall be terminated if either of these two conditions are not met.
 - B. The Licensee may renew this license with the Department for three additional ten year terms under the same terms and conditions, except that any applicable Department rules in effect at the time of license renewal shall apply to the renewal. The Department shall not unreasonably condition, unreasonably delay, or otherwise unreasonably withhold renewal of the license, upon written request from the Licensee to the Department of its intention to exercise the renewal on or before the expiration date of the License, and provided that Licensee is not in default of this License.
 - C. Licensee shall not conduct major construction activities between two calendar days prior to Father's Day and four calendar days after the Fourth of July.
 - D. Licensee shall notify the Department in writing and the public by posting signage at the site at least four (4) weeks in advance of initiating closure of the access area for major construction activities. Additionally, any scheduled required closures for routine operation and maintenance shall be approved by the Department at least two (2) weeks in advance to ensure no conflicts with previously approved Department activities (i.e. fishing tournaments).
 - E. Licensee may conduct routine maintenance operations as it shall find reasonably necessary without prior consultation with and approval of the Department provided the activities do not require closure of the access area or impact priority uses of the access area.
 - F. In the event of an emergency or conditions of imminent hazard on the licensed property, such as storm restoration activities warranting immediate action on the part of the Licensee, written notification of said emergency shall be provided to the Department within 48 hours.
 - G. Licensee shall be responsible for obtaining and adhering to any lake encroachment, shoreline protection, Army Corps permits, and Section 248 certificate of public good for the infrastructure it will construct and maintain in the Licensed Area. The Department shall be responsible for the design, permitting, construction, and maintenance of any boat ramp that is built by the Department using the fee payment under section 5.
 - H. Licensee shall have the right to enter upon the Licensed Area for the purpose of conducting maintenance work authorized by this license, provided that the work is conducted in a safe and environmentally sustainable and protective manner. Following such work, Licensee shall clean and restore the Licensed Area to the satisfaction of the Department. Any damages to the property of the Department caused by the Licensee shall be repaired and restored by the Licensee at its sole expense, to the satisfaction of the Department.
 - I. The Licensee shall have the duty to inform the Department of its discontinued use of the Licensed Area or the specific line, or lines within such Licensed Area. Licensee shall have one hundred eighty (180) days from the date of termination of the license to fill in

the concrete vault with appropriate backfill material, remove the concrete cover, and resurface the area with similar material as the remainder of the Access Area.

- 9. Maintenance:** The Licensed Area shall be maintained in a condition satisfactory to the Department, including, but not limited to, removal of any trash or rubbish generated by the activities of the Licensee within the licensed area. Licensee shall remove any and all equipment and personal property, which may have been placed upon the premises promptly upon completion of any activities or/and termination of the license, and shall clean and restore the site to the satisfaction of the Department.
- 10. Non-Exclusivity:** This license shall not be exclusive except with respect to the physical area directly occupied by Licensee's installed structures, as depicted on Attachment B hereto. The Department reserves the right to use, or allow others to use, any other part of the Korean War Veterans Access Area provided such use does not unreasonably interfere with the privileges hereby authorized to Licensee, including but not limited to closure of the Access Area during construction or maintenance of Licensee's facilities
- 11. Liability:** The Licensee will act in an independent capacity and not as officers or employees of the State.

The Licensee shall defend the State and its officers and employees against all claims or suits arising in whole or in part from any act or omission of the Licensee or of any agent of the Licensee. The State shall notify the Licensee in the event of any such claims or suit, and the Licensee shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment or settlement the Licensee may request recoupment of specific defense costs and may file suit in Washington Superior Court requesting recoupment. The Licensee shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the licensee.

The Licensee shall indemnify the State and its officers and employees in the event the State, its officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the licensee.

Before commencing work under this License, the Licensee must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Licensee to maintain, or to have its contractor(s) maintain, current certificates of insurance on file with the state through the term of the License.

Workers' Compensation: With respect to all operations performed, Licensee or its contractor(s) shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Minimum employers' liability limits are to be \$100,000/\$100,000/\$500,000.

General Liability and Property Damage: With respect to all operations performed under the License, Licensee shall carry general liability insurance having all major divisions of coverage including, but not limited to:

- Premises-Operations
- Products and Completed Operations
- Personal Injury Liability
- Contractual Liability

The policy shall be an occurrence form and limits shall not be less than:

\$1,000,000	Per Occurrence
\$1,000,000	General Aggregate
\$1,000,000	Product/Completed Operations Aggregate
\$ 50,000	Fire/Legal/Liability

Licensee shall name the State of Vermont and its officers and employees as additional insureds for liability arising out of this License.

Claims-Made Policy holders shall submit the current policy's retroactive term date, additional insured status, and policy terms to the State of Vermont. On an **annual basis** Licensee shall certify this policy is still in effect. Licensee shall notify the State of Vermont **immediately** if this policy is cancelled and/or replaced with an occurrence form. If the Claims-Made policy is cancelled, licensee is required to purchase an Extended Reporting Period for a minimum period of three years. The terms of the Extended Reporting Period are to be provided promptly to the State of Vermont.

Automobile Liability: Licensee or its contractor(s) shall carry automobile liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the License. Limits of coverage shall not be less than \$1,000,000 combined single limit.

Evidence of compliance with these minimums, shown by completion of a certificate of insurance showing policies and carriers reasonably acceptable to the State, must be received prior to the License effective date. The State requires a thirty-day prior notice of any cancellation or revision to the described policies.

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Licensee for the Licensee's operations. These are solely minimums that have been established to protect the interest of the State.

12. **Assignment:** Licensee may assign this license provided it provides 60 days advance notice to the Department.
13. **Permits, Rules, and Regulations:** The Licensee shall obtain and maintain, at their own expense, all permits or licenses for the licensed activity and the Licensee shall not violate the terms or conditions of any of those permits or licenses. The Licensee shall obey all municipal, state, and federal laws while undertaking the licensed activity.
14. **Suitability of Premises:** Acceptance of this license by Licensee shall be *prima facie* evidence that Licensee accepts the suitability of the premises for their purposes, and the use thereof by Licensee shall attest such suitability.
15. **Buildings and Structures:** No buildings or structures (other than electrical transmission structures) shall be erected upon the licensed premises, other than those specifically authorized by written approval of the Department.
16. **Pesticides:** Licensee shall be permitted to use herbicides, pesticides, or growth inhibitors. However, any and all chemicals proposed for use and their treatment locations shall be applied in accordance with the Licensee's Agency of Agriculture Herbicide Use Permit.
17. **Vegetation:** No trees or other vegetation severed by Licensee shall be removed from the property without prior written approval from the Department.
18. **Taxes:** Certification under 32 V.S.A. § 3113 - The Licensee hereby certifies, under the pains and penalties of perjury, that Licensee is in good standing with respect to, or in full compliance with a plan to pay, any and all taxes due the State of Vermont as of the date the Licensee signs this contract, and to affirm, in accordance with 15 V.S.A. § 795 (where applicable) that all obligations in regard to child support are in good standing or that there is compliance with a payment plan approved by the Vermont Office of Child Support Services.
19. **Termination:** The Department reserves the right to cancel this license if the Licensee materially breaches this license, and fails to cure any such breach within a reasonable period of time after being provided written notice by the Department. The Department shall notify the licensee in writing of any such material breach at least 90 days prior to any proposed termination. In the event the license is terminated, the Licensee shall have a commercially reasonable period of time, not to exceed three years, to obtain the regulatory approvals and to conduct the construction activities that are necessary to relocate the NECPL equipment from the Licensed Area to an alternative location.
20. **Previous Agreements:** This writing supersedes and takes precedence over all other agreements written or oral, regarding the subject matter of this license and it is intended by the parties hereto as the final, complete, and exclusive expression of their agreement.
21. **License Only:** Pursuant to 10 V.S.A. §4147, the Vermont Department of Fish and Wildlife may not lease lands under the jurisdiction of the Department or the Secretary of the Agency of Natural Resources without the prior approval of the Governor of the State of Vermont. No such approval has been obtained as of the date hereof. Therefore, it is understood by Champlain VT, LLC, Licensee, and the Department, Licensor, that notwithstanding the terms and conditions set forth herein, this instrument shall be construed as a license only, and subject to termination pursuant to Section 19. Licensee accepts this instrument subject to this provision and all expenditures, improvements to the licensed area, actions or steps taken by Licensee in reliance on or expectation of the continuity of occupancy shall be entirely at its own risk and shall not give rise to any rights, remedies or relief other than those specified herein.

IN PRESENCE OF:

Mary Diego

 Witnesses

STATE OF VERMONT
FISH AND WILDLIFE DEPARTMENT

 Louis Porter, Commissioner

STATE OF VERMONT
WASHINGTON COUNTY

At Montpelier, in said county, this 17 day of March A.D., 2015 personally appeared Louis Porter, Commissioner of the Fish and Wildlife Department, and acknowledged the foregoing instrument by him subscribed to be his free act and deed and the free act and deed of the State of Vermont.

Before me, _____

Notary Public

Commission Expires 2/10/19

IN PRESENCE OF:

Erin O'Brien Edmonds

 Witnesses

LICENSEE

CHAMPLAIN VT, LLC

 Donald Jessome

PROVINCE

STATE OF NOVA SCOTIA
HALIFAX COUNTY

At Halifax, in said county, this 10th day of March A.D. 2015 personally appeared Donald Jessome and acknowledged the foregoing instrument by him to be his free act and deed and the free act and deed of Champlain VT, LLC.

Before me, _____

Notary Public

Commission Expires N/A

ERIN O'BRIEN EDMONDS, Q.C.
 A Notary Public in and for the
 Province of Nova Scotia