

**SPECIAL CONDITIONS OF PURCHASE -- INDEFINITE QUANTITY
CONTRACT**

1. Nature of Agreement

This is an indefinite quantity contract for the goods or services specified in the Purchase Order for the period set forth in the Purchase Order. Any quantities of goods or services specified in the Purchase Order are estimates only and are not purchased merely by issuance of the Purchase order.

This is not a requirements contract. Orange and Rockland Utilities, Inc. (ORU) reserves the right to contract with others during the term of the Purchase Order, pursuant to this invitation or any other, for quantities of one or more of the items covered by the Purchase Order whether or not at the time ORU has ordered any "minimum" quantity specified.

2. Maximum and Minimum Quantities

Seller or Contractor (either of whom is hereinafter referred to as "Seller") shall furnish such quantities as ORU may order of any and all items listed in the Purchase Order subject to the following limitations: Where estimated quantities are stated, Seller shall supply up to 125% of the estimated quantity of each item, in consideration whereof ORU shall make purchases amounting to at least 10% of the total contract price of the estimated quantities (not necessarily resulting from the purchase of 10% of each item). If no estimated quantities are stated, ORU's minimum purchase obligation shall be 10% of the total authorized dollar amount stated in the Purchase Order. In any event Seller shall not be obligated to furnish quantities of Purchase Order items the prices of which total more than said total authorized dollar amount. The unit prices shall remain firm regardless of the quantities of each item or of all items ordered, and except for the applicable minimum purchase obligation specified above, ORU shall incur no liability for any items not ordered. For the avoidance of doubt, it is specifically acknowledged and agreed that neither of the minimum purchase obligations specified above shall apply in the event that ORU exercises its rights pursuant to the Termination for Convenience provisions or the Cancellation for Default provisions of the Purchase Order (or the Contract of which the Purchase Order may be a part), including the Termination for Convenience provisions or the Cancellation for Default provisions that may be directly or indirectly incorporated by reference into the Purchase Order (or the Contract of which the Purchase Order may be a part).

April 29, 2009

3. Orders for Goods or Services

ORU will order goods or services by issuing orders for specific quantities of goods or services to be furnished under the Purchase Order. Delivery or performance shall only be made as authorized by such orders.

Orders made by telephone will be confirmed promptly in writing. A mailed order is "issued" for purposes of the Purchase Order at the time ORU deposits it in the mail. Orders may also be made by facsimile (fax) or electronic data interchange (EDI) transmission.

4. Terms and Conditions

All releases issued hereunder are subject to the terms and conditions of the Purchase Order. In the event of conflict between the Purchase Order and any release, the terms and conditions of the Purchase Order shall govern.

5. Partial Deliveries

The entire quantity of goods shown on any release shall be delivered in one shipment unless otherwise specified. A delivery of less than the entire quantity shown on the order may be rejected. If a partial delivery is accepted, however, payment therefor shall not be due until the entire quantity is delivered.

6. Delivery Notice

For goods, Seller shall mail a shipping notice to ORU the same day any items are shipped. Each shipment shall be accompanied by an itemized packing list that states the Purchase Order number, the order number (if applicable) and the ORU identification number(s) of the items shipped.

7. Price Limit

Seller shall not deliver the goods or perform the services specified on any release if the price thereof together with the price of all such previous releases issued hereunder exceeds the total expenditure authorized by the Purchase Order unless and until that amount has been increased by means of a duly executed amendment to the Purchase Order. The Seller shall inform ORU in writing when the total price of goods or services released reaches 75% of the maximum expenditure authorized by the Purchase Order.

8. Completion of Performance

Orders issued during the effective period of the Purchase Order and not completed within that time shall be completed by the Seller within the time specified in such orders, and the rights and obligations of the Seller and ORU respecting those orders shall be governed by the terms of the Purchase Order as if such orders had been

completed during the effective period of the Purchase Order.