

**SCHEDULE G**  
**RETAINED ASSETS**

"Retained Assets" means all properties or assets contemplated hereby to be owned at the Effective Time (x) by Company or (y) by any Company Subsidiary or Company Joint Venture not constituting a Transferred Asset as determined pursuant to Schedule A or Schedule B, including, without limitation:

- (A) Electric transmission and distribution system ("T&D System"). "T&D System" means the electricity transmission and distribution system owned by Company at the Effective Time, as described in the paragraph below, and assets, facilities, equipment or contractual arrangements of Company used to provide the transmission and distribution of the electrical energy and capacity available from the System Power Supply (as defined in Appendix 1 to the Management Services Agreement) to the counties of Suffolk and Nassau and that portion of the County of Queens constituting the Company's service area as of the effective date of the Long Island Power Authority Act, N.Y. Pub. Auth. Law § 1020 et seq., and not including the Villages of Freeport, Greenport and Rockville Centre.

The T&D System extends, without limitation, from the points of interconnection with Consolidated Edison Company of New York, the New York Power Authority, and Connecticut Light & Power and the on-island generating plants owned by GENCO (as defined in the Power Supply Agreement) on the low voltage side of the step-up transformers in the switch yards, or others and interconnections as they are built to the meters of the transmission and distribution facilities, equipment and property up through the retail and wholesale electric customers' point of interconnection with the meter.

- (B) Company's 18% ownership interest in Nine Mile Point 2, and related nuclear fuel and nuclear decommissioning trust funds. "Nine Mile Point 2" means Unit No. 2 of the Nine Mile Point Nuclear Power Generating Station located in Scriba, New York and operated pursuant to a joint operating agreement by Niagara Mohawk Power Corporation.
- (C) The Shoreham property tax and PILOT claims and all other tax claims and tax certiorari matters arising with respect to Company's pre-closing operations, including with respect to generation and common plant.
- (D) Certain other assets. Assets included in the Company's Pro forma Balance Sheet At December 31, 1997 attached as Exhibit A-1.