

**SCHEDULE A**  
**TRANSFERRED ASSETS**

This Schedule A describes the Transferred Assets and is subject to modification by the parties after the date hereof pursuant to Schedule B to the extent provided below or as may otherwise be agreed to by the parties. More complete legal descriptions of the Transferred Assets will be prepared in accordance with Schedule B.

1. All assets reflected under the columns "Genco" and "Gas" on the Pro Forma Balance Sheet attached as Exhibit A-1 shall be Transferred Assets (subject, however, to any reallocation pursuant to Section B.4 of the Principles of Schedule B) and any similar assets owned by Company on the Closing Date.
2. All common plant.
3. All materials, inventory and supplies held by Company or to be delivered to Company prior to the Closing Date and all related rights, agreements and purchase orders, whether or not any thereof is held for use only in connection with the Retained Assets.
4. All motor vehicles owned or purchased by Company and all interest of Company in any leased motor vehicles except those, including "bucket trucks", used primarily in the transmission and distribution system ("T&D System").
5. All of the real estate parcels designated as Transferred Assets pursuant to Schedule B.
6. All rights of Company in or pursuant to (i) current agreements with MCI and Omnipoint previously disclosed to Authority and (ii) similar agreements entered into prior to the Closing Date with the consent of Authority (which consent will not be unreasonably withheld or withheld on a discriminatory basis), subject to the rights of Authority under Schedule F.
7. All rights of Company in respect of its software development project identified as the Customer Business System and the related joint venture with James Martin subject to the rights of Authority under Schedule F.
8. All equipment, including, without limitation, all office equipment, other than (i) fixtures identified pursuant to Schedule B as Retained Assets and (ii) equipment included in the Pro Forma Balance Sheet under the column "Lilco" and similar equipment owned by Company on the Closing Date.
9. Notwithstanding anything in Schedule B to the contrary, Company's existing J.W. Dye Training Center and associated parking lots at Hoffman Boulevard, Hauppauge, and the underlying Parcel shall be a Transferred Asset.
10. All patents, copyrights, trademarks, service marks, trade secrets, proprietary information, manuals and other intellectual property owned by Company and all rights of Company in any intellectual property licensed from other persons or entities, other than (i) customer data and (ii) any such intellectual property that relates primarily to the T&D System of Company at the Closing Date.
11. All franchises, permits and other governmental authorizations applicable solely to Company's gas business and generating assets and any rights to joint franchises granted pursuant to Schedule B.

12. All rights of Company in causes of action, suits and other legal or administrative proceedings that are pending at the Closing Date and all claims and counterclaims, whether or not asserted, accrued or contingent, at the Closing Date, in each case relating primarily to any Transferred Asset (subject, however, to Section 7.8 of the Merger Agreement). The parties acknowledge and agree that all right, title and interest of the Company in the Shoreham property tax case and the Shoreham Pilots case shall be a Retained Asset.

13. All rights of Company in NOx and SOx emission credits subject to the applicable provisions of Schedule F.

14. All tax benefits associated with or derived from the payment by Company prior to the Closing Date of any accrued liability.

15. Applicable FERC accounting principles will be considered in evaluating the proper classification of any asset not specifically addressed in the Pro Forma Balance Sheet or this Schedule A.

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