

SCHEDULE 16

Transmission Service on the Linden VFT Facility

Pursuant to Section 38 of the Tariff, this Schedule provides the terms and conditions of transmission service on the Linden VFT Facility which is a Merchant Transmission Facility under the Tariff and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C (“Operating Agreement”).

1. Definitions

Capitalized terms used and defined in this Schedule 16 shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 16 but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 16 that are not defined in it or elsewhere in this Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in PJM, including, but not limited to the Operating Agreement.

1.1 Linden VFT Reservation: A right, denoted in whole megawatts and for a specified period, to request the withdrawal of energy and capacity from the Transmission System at the Point of Interconnection and submit schedules for transmission service utilizing the Linden VFT Facility on a firm or non-firm basis as set forth in this Schedule 16.

1.1.1 Firm Linden VFT Reservation: A Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule capacity and energy on a firm basis from the Linden FFT Point of Receipt to the Linden VFT Point of Delivery.

1.1.2 Non-Firm Linden VFT Reservation: A Non-Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule energy on a non-firm, as available, basis from the Linden VFT Point of Receipt to the Linden VFT Point of Delivery.

1.2 Linden VFT Transmission Customer: An entity that (i) is an Eligible Customer (or its Designated Agent) that meets the creditworthiness requirements of the Transmission Provider set forth in Attachment Q to this Tariff and is in good-standing with respect to all payments owed under the Tariff and Operating Agreement; (ii) executes a Linden VFT Service Agreement, the form of which is attached as Exhibit A to this Schedule 16; (iii) holds a Linden VFT Reservation, and, in the case of a re-sale of a Linden VFT Reservation, (iv) has the applicable Attachment A-1 completed and signed by all parties.

1.3 Linden VFT Facility: The Linden VFT Facility is a controllable alternating current Merchant Transmission Facility located in Linden, New Jersey, which was the subject of Commission orders in FERC Docket No. ER07-543 *et al.* regarding operation of these transmission facilities as a merchant transmission facility and as more particularly described in the Interconnection Service Agreement among PJM Interconnection, L.L.C. and Linden VFT, LLC and Public Service Electric and Gas Company, which was accepted for filing by the Commission in FERC Docket No. ER06-649.

1.4 Linden VFT Schedule: The schedule for the transmission of capacity and energy on the Linden VFT Facility pursuant to the terms and conditions of service set forth in this Schedule 16.

1.5 Linden VFT Service: Transmission service provided pursuant to the terms and conditions of service set forth in this Schedule 16.

1.6 Linden VFT Transmission Owner: Linden VFT, LLC, its agents, successors or assigns.

1.7 Primary Rights Holder(s): Entities that have been allocated rights to the use of the transmission capability of the Linden VFT Facility and assigned Firm and Non-Firm Transmission Withdrawal Rights by the Linden VFT Transmission Owner in accordance with Section 2.1. To the extent any portion of the total transmission capability of the Linden VFT Facility has not been assigned pursuant to Section 2.1 the Linden VFT Transmission Owner shall be the Primary Rights Holder of such capacity for purposes of this Schedule 16 until such capacity is allocated to another entity.

1.8 Point of Interconnection: The Point of Interconnection is as defined in Section 11.1 of the Interconnection Service Agreement among PJM Interconnection, L.L.C. and East Coast Power, L.L.C., which was assigned to Linden VFT, LLC effective December 21, 2006, and is the Linden VFT Point of Receipt.

1.9 Linden VFT Service Agreement: An initial agreement and any amendments or supplements thereto entered into by a Linden VFT Transmission Customer and the Transmission Provider for transmission service on the Linden VFT Facility under this Schedule 16, the form of which is included as Exhibit A to this Schedule 16.

1.10 Linden VFT Point of Receipt: The point of receipt is the Point of Interconnection.

1.11 Linden VFT Point of Delivery: The point of delivery is the point of connection with transmission facilities at the 345 kV Linden Cogen ring bus, which is the point for the interchange of capacity and energy between PJM and NYISO.

2. Allocation of Available Transmission Capability on the Linden VFT Facility

2.1 Commission Approved Allocation Process: The Linden VFT Transmission Owner shall allocate the total transmission capability on the Linden VFT Facility pursuant to an allocation process approved by the Commission under FERC Docket No. ER07-543-000 as such allocation process may be amended by the Linden Transmission Owner from time-to-time subject to Commission approval *provided that* the results of such rights allocation process shall be furnished to the Transmission Provider and posted on the OASIS. The allocation of rights to Primary Rights Holders for the transmission capability of the Linden VFT Facility shall include the allocation of the Firm and Non-Firm Transmission Withdrawal Rights, as applicable, which have been assigned to the Linden VFT Transmission Owner pursuant to Section 232 of this Tariff as well as the award of Firm and Non-Firm Linden VFT Reservations. The allocation of such rights shall be in the megawatt quantity and for the period specified for allocation to parties pursuant to the Linden VFT Transmission Owner's Commission-approved allocation process and as submitted to the Transmission Provider for posting on the OASIS. In the event that there has been no allocation of Firm Transmission Withdrawal Rights to a Primary Rights Holder, the Linden VFT Transmission Owner is the holder of such unallocated Firm Transmission Withdrawal Rights.

2.2 Charges for Allocation of Rights by Linden VFT Transmission Owner to

Primary Rights Holder: The charges applicable to the allocation of rights to a Primary Rights Holder pursuant to this section shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder in accordance with the process approved by the Commission under FERC Docket No. ER07-543-000, as amended by the Linden VFT Transmission Owner from time-to-time subject to Commission approval. The charge for the allocation of rights to a Primary Rights Holder shall be in accordance with the Commission's authorization for the Linden VFT Transmission Owner to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in Transmission Provider's Tariff rates) for the use of transmission capability over the Linden VFT Facility. Agreements between the Linden VFT Transmission Owner and a Primary Rights Holder for the allocation of rights to a Primary Rights Holder shall be considered Service Agreements under this Schedule 16 and shall be reported by the Linden VFT Transmission Owner to the Commission through Electronic Quarterly Reports in accordance with Order No. 2001.

2.3 Transmission Withdrawal Rights Associated with the Linden VFT Facility:

The award of Transmission Withdrawal Rights to the Linden VFT Transmission Owner shall be made pursuant to Section 232 of the Tariff and any subsequent transfer to Primary Rights Holders shall be made in accordance with Section 2.1 hereof. The Transmission Withdrawal Rights solely allow for the withdrawal of capacity and energy at the Point of Interconnection for the Linden VFT Facility and do not provide any priority with respect to the reservation.

[scheduling, curtailment or interruption of transmission service over the Linden VFT Facility pursuant to this Schedule.](#)

2.4 Transfer of Transmission Withdrawal Rights: Any resale, assignment, conveyance or transfer of a Transmission Withdrawal Right shall be consistent with Section 232.6 of this Tariff and any terms and conditions agreed upon between the Linden VFT Transmission Owner and the Primary Rights Holder.

3. Linden VFT Reservations

3.1 Effect of a Linden VFT Reservation: A Linden VFT Reservation is a prerequisite to scheduling capacity and/or energy on the Linden VFT Facility. A holder of a confirmed Linden VFT Reservation may submit offers to schedule capacity and/or energy from the Transmission System at the Point of Interconnection over the Linden VFT Facility.

3.2 Recallability: A Non-Firm Linden VFT Reservation released pursuant to Section 3.7 is recallable by a holder of a Firm Linden VFT Reservation that has retained the right of recall until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet installed capacity obligations in the New York Control Area. The procedures and prerequisites for the exercise of recall rights are set forth in Section 4.2.2.

3.3 Term of Service

3.3.1 Firm Linden VFT Reservation: The minimum term of a Firm Linden VFT Reservation shall be one day and the maximum term shall be equal to the term of agreement allocating rights to the Primary Rights Holder, the capability of the Linden

VFT Facility pursuant to Section 2.1 of this Schedule. The terms and conditions applicable to Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Firm Linden VFT Reservations.

3.3.2 Non-Firm Linden VFT Reservation: The terms and conditions of Non-Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Non-Firm Linden VFT Reservations.

3.3.3 Limitations: A Linden VFT Transmission Customer holding a Firm Linden VFT Reservation or Non-Firm Linden VFT Reservation may not submit a request for scheduling of capacity and energy over the Linden VFT Facility that exceeds the period or megawatt amount of its Linden VFT Reservation.

3.4 Acquisition of Linden VFT Reservations: Firm Linden VFT Reservations are initially allocated to Primary Rights Holders pursuant to Section 2.1. Third parties may purchase Firm Linden VFT Reservation or Non-Firm Linden VFT Reservations through (i) assignment pursuant to Section 3.5 of this schedule or (ii) voluntary or default release through Transmission Provider's resale procedures as stated in the Tariff and the Regional Scheduling Practices in accordance with Section 3.7 of this Schedule. The holder of a Linden VFT Reservation that sells or assigns its rights is hereafter referred to as the Reseller. The entity purchasing a Linden VFT Reservation through resale is hereafter referred to as the Buyer.

3.5 Assignment of Linden VFT Reservation: The Primary Rights Holder of a VFT Reservation may assign its VFT Reservation to third parties in accordance with the terms of the

agreement between the Linden VFT Transmission Owner and the Primary Rights Holder *provided* that notice of such assignment is provided to the Transmission Provider with such information provided on the OASIS. Subject to Commission approval of any necessary filings, a holder of a VFT Reservation may assign all or a portion of its rights, but only to another Eligible Customer (the Buyer). The compensation to the Reseller shall be at rates established by agreement with the Buyer. Notice of such assignment shall be provided to the Transmission Provider as soon as possible after any assignment occurs but in any event, notification must be provided prior to any submission of offers to schedule capacity and energy pursuant to such VFT Reservation by the Buyer.

3.6 Limitations on Resale of Linden VFT Reservations: If the Buyer requests a change in the specifications set forth in the original Linden VFT Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change is done before the start of service, does not exceed the rights granted in the Reseller's original Linden VFT Reservation and will not impair the operation and reliability of the Linden VFT Facility, the Transmission Provider's Transmission System or a Transmission Owner's generation, transmission, or distribution systems. The Reseller shall remain liable for the performance of all obligations under the Linden VFT Service Agreement, except as specifically agreed to by the Reseller, the Buyer, and the Transmission Provider through an amendment to the Linden VFT Service Agreement. A holder of a Linden VFT Reservation shall notify the Transmission Provider of the resale of any Linden VFT Reservation including the rate to be charged in accordance with the deadlines posted in NAESB WEQ 001-11.5.1 for On-OASIS re-sales, and NAESB WEQ 001-11.5.2 for Off-OASIS re-sales.

3.7 Release of Linden VFT Reservation: Linden VFT Reservations may be resold as Available Transmission Capacity (ATC) for acquisition as Linden VFT Service by third parties using the OASIS. Such a resale of transmission service is subject to the requirements in the PJM Manuals, NERC and NAESB Standards.

3.7.1 Voluntary Releases: A holder of a VFT Reservation may offer all or any portion of its VFT Reservation for voluntarily release on a first-come, first-served basis. A VFT Reservation that has been posted for voluntary release under this subsection shall be excluded from the default release procedures set forth in subsection 3.7.2.

3.7.2 Default Releases: In the event that any holder of a VFT Reservation fails to either: (i) submit a request to schedule energy up to the full MW value of its VFT Reservation by noon (12:00 p.m.) one business day prior to the Operating Day or (ii) offer its VFT Reservation for voluntarily release pursuant to subsection 3.7.1, then, the difference between the Total Transfer Capability over the VFT Line in each scheduling hour of the Operating Day and the sum of the valid requests for VFT Schedules and MW amount of VFT Reservations voluntarily released on OASIS for such scheduling hour, shall be deemed released by the VFT Transmission Owner (as Reseller) and shall be posted on the OASIS by the Transmission Provider as Non-Firm ATC for acquisition by third parties on a first-come, first-served basis.

3.7.3 Release Rate: The holder of a VFT Reservation seeking to voluntarily release all or any portion of its VFT Reservation shall provide to the Transmission Provider the rate to be posted on OASIS and charged for such releases. The VFT Transmission Owner may provide the Transmission Provider a rate to be posted on OASIS and charged for default releases pursuant to Section 3.7.2. In the event that the VFT Transmission Owner does not separately provide to the Transmission Provider a rate for default releases, such default releases shall be charged the lowest rate posted on OASIS for voluntary release of VFT Reservations in the applicable hour.

3.7.4 Character of Service Released: Releases of VFT Reservations made pursuant to the default release provisions in subsection 3.7.2 do not include the right of recall under Section 3.2 and shall be hourly Non-Firm VFT Reservations.

3.7.5 Requirements for Acquisition of VFT Reservations through Release or Assignment: An Eligible Customer shall be eligible to acquire and hold a VFT Reservation through an assignment of a VFT Reservation pursuant to Section 3.5 or release of a VFT Reservation over OASIS pursuant to Section 3.7 if such entity meets all of the requirements for a Linden VFT Transmission Customer except for part (iii) of such requirements.

3.7.6 Resale Rate: The Reseller of a Linden VFT Reservation shall post the rate on OASIS and will be credited for completed re-sales of its service. The Reseller of a Linden VFT Transmission Reservation and the resale Buyer shall be credited/charged the rate as agreed and posted on the OASIS for the Linden VFT Reservations resold.

3.8 Billing and Payment for Linden VFT Reservations

3.8.1 Linden VFT Reservations Allocated to Primary Rights Holders

Pursuant to Section 2.1: The billing and payment of rates or charges applicable to the allocation of Firm or Non-Firm Linden VFT Reservations to the Primary Rights Holder pursuant to section 2.1 shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder and not under this Tariff.

3.8.2 Linden VFT Reservations Acquired Through Resale Pursuant to

Section 3.7.1: An entity acquiring a Linden VFT Reservation through a Resale over the OASIS pursuant to subsection 3.7.1 shall be billed the applicable rate which is posted on OASIS pursuant to subsection 3.7.3. The Transmission Provider will credit/bill both parties according to the applicable rate and the transaction shall be settled through Transmission Provider's settlements.

3.8.3 Linden VFT Reservations Acquired Through Default Resale:

The Transmission Provider shall bill an entity acquiring a Linden VFT Reservation through a default resale the applicable rate which is posted on OASIS pursuant to subsection 3.7.3.

Any revenues received from the acquisition of VFT Reservations subject to default release provisions shall be paid by the Transmission Provider to the VFT Transmission Owner. A Linden VFT Transmission Customer shall pay the applicable rates for the megawatt amount of the Linden VFT Reservation for each hour regardless of whether such holder(s) submitted a schedule for transmission service over the Linden VFT Facility in such hour.

4. Linden VFT Schedules

4.1 Nature of Transmission Service over the Linden VFT Facility: Linden VFT Schedules shall be requested in accordance with NERC and NAESB Standards, including requirements relating to E-Tagging and Transmission Line Relief procedures. An entity seeking to schedule use of the Linden VFT Facility must hold a Linden VFT Reservation for no less than the amount of megawatts of service being requested. Deadlines for scheduling the use of the Linden VFT Facility shall adhere to the Transmission Provider's deadlines for scheduling as provided by the Transmission Provider's manuals and consistent with the deadlines for scheduling Point to Point Transmission Services as described in Part II of the Tariff.

4.2 Submission of Scheduling Requests, Award of Reservations, Curtailment and Interruption of Linden VFT Schedule

4.2.1 Submission of Scheduling Requests: A Linden VFT Transmission Customer holding a Linden VFT Reservation has the right to submit requests for Firm Linden VFT Schedules or Non-Firm Linden VFT Schedules commensurate to the Linden VFT Reservations held by that entity.

4.2.2 Exercise of Recall Rights: An Eligible Customer holding a Firm Linden VFT Reservation, that retains the right of recall, may exercise such recall rights by providing notice, until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet any installed capacity obligations in the New York Control Area, to the Transmission Provider that it wishes to exercise its right of recall. The exercise of a recall right pursuant to notice to the Transmission Provider shall immediately act to recall the Linden VFT Reservation previously released by the Eligible Customer and acquired by a third party under the assignment provisions set forth in Section 3.5 or the release procedures set forth in Section 3.7

4.3 Scheduling of Capacity and Energy over the Linden VFT Facility: The Transmission Provider shall evaluate all requests to schedule capacity and energy for withdrawal from the Transmission System at the Point of Interconnection based on economic merit order. In the event of a tie within economic merit, a scheduling request made pursuant to a Firm Linden

VFT Reservation shall have priority over a scheduling request made pursuant to a Non-Firm Linden VFT Reservation. In the case of an economic merit order tie between two or more scheduling requests using a Firm Linden VFT Reservation, the award of the scheduling reservation shall be on a *pro rata* basis. In the case of an economic merit order tie between two or more scheduling requests based on Non-Firm Linden VFT Reservations, the reservation classification of the Non-Firm Linden VFT Reservation (Monthly, Weekly, Daily or Hourly) shall then be used as the tiebreaker, with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a further tie within the sub-category of Non-Firm Linden VFT Reservations (Monthly, Weekly, Daily or Hourly), the timestamp order of the submission of requests to schedule service over the Linden VFT Facility shall be used as a tie-breaker. A holder of Linden VFT Reservations is limited in its total capacity and energy schedule for its Linden VFT Schedule to the higher of either its Firm or Non-Firm Linden VFT Reservations.

4.4 Limitations on Scheduling Amount: The Linden VFT Facility has a minimum total scheduling requirement. of 1 MW at the Linden VFT Point of Delivery. The Linden VFT Facility has a maximum continuous scheduling capability of the lower of the Total Transfer Capability (“TTC”) set by the Transmission Provider or 330 MW at the Linden VFT Point of Delivery. In the event that the total megawatt of schedules determined by the Transmission Provider is greater than the lower of the TTC or 330 MW at the Linden VFT Point of Delivery, all schedules above the maximum capability shall be rejected.

4.5 Curtailment of Linden VFT Schedules: In the event that a Curtailment or interruption of Linden VFT Schedules is required to maintain reliable operation of the Linden VFT Facility and the systems directly and indirectly interconnected with the Linden VFT Facility, any such Curtailment implemented by the Transmission Provider shall be based upon the priority of the associated Linden VFT Reservations. For Curtailment or interruptions of Linden VFT Schedules based on Firm Linden VFT Reservations will be performed on a *pro rata* basis. Curtailment of Linden VFT Schedules based on Non-Firm Linden VFT Reservations shall first be based on the Non-Firm Linden VFT Reservation classification (i.e., Monthly, Weekly, Daily, Hourly) with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a tie within the Non-Firm Linden VFT Reservation classifications, the time stamp order of the submission of valid bids/offers to schedule service over the Linden VFT Facility shall be used as a tiebreaker. The Transmission Provider shall provide advance notice of any Curtailment of Linden VFT Schedules to all affected Linden VFT Transmission Customers where such notice can be provided consistent with Good Utility Practice. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Line as required by NERC Standards and the Joint Emergency Operating Protocol for the Linden VFT Scheduled Line which is posted on the PJM website. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Facility for reliability of the Transmission System pursuant to the separately reserved Transmission Service over the Transmission System pursuant to Part II or Part III of the Tariff to the Linden VFT Facility and the Transmission Provider's Manuals.

4.6 Separate Reservation for Network Integration Transmission Service or Point-to-Point Transmission Service over the Transmission System: Prior to the commencement of a Linden VFT Schedule under this Schedule 16, a Linden VFT Transmission Customer must separately reserve Transmission Service over the Transmission System pursuant Part II or Part III of the Tariff for delivery of energy, capacity or ancillary services over the Transmission System to the Point of Receipt of the Linden VFT Facility for at least the same time period as the Linden VFT Schedule provided under this Schedule 16. Reserving such Transmission Service to the Linden VFT Facility is a required precondition to acquiring a Linden VFT Schedule. The Linden VFT Transmission Customer is responsible for all charges associated with Transmission Service for delivery of capacity and energy to the Point of Receipt of the Linden VFT Facility.

5. Liability

The Transmission Provider and any holder of a Linden VFT Reservation which releases or resells its Linden VFT Reservation through resale procedures set forth in Section 3.5 and 3.7 of this Schedule 16 shall be held harmless with regard to any claim which may be raised by any party regarding the award of the released Linden VFT Reservation, except to the extent that such party successfully establishes that the releasing party has incorrectly selected the party acquiring such released Linden VFT Reservation as the result of gross negligence or willful misconduct. The liability of the Transmission Provider shall be limited by the terms and conditions of Section 10 of the Tariff and the provisions of the Operating Agreement.

6. Losses and Inadvertent Energy

Real power losses and inadvertent energy across the Linden VFT Facility shall be allocated solely to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on an hourly pro rata basis, except for hours with no Linden VFT Schedules, in which case any real power losses and inadvertent energy across the Linden VFT Facility shall be allocated to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on a monthly pro rata basis.

7. Congestion Costs and FTRs

A Linden VFT Schedule provides a physical right to deliver energy over the Linden VFT Facility. Accordingly, no congestion costs shall be calculated over the Linden VFT Facility and no FTRs or their equivalent shall be offered for a Linden VFT Schedule. This provision is not meant to preclude any allocation of financial transmission rights, auction revenue rights or their equivalent awarded to the Linden VFT Transmission Owner pursuant to Part VI of the Tariff. Such rights would be allocated to Primary Rights Holders in accordance with Section 2.1.

8. Measurement and Posting of ATC and TTC

The ATC and TTC of the Linden VFT Facility shall be calculated and posted on the OASIS by the Transmission Provider consistent with the requirements of the Tariff.

9. Payment of Other Charges Required for a Linden VFT Schedule

The Linden VFT Transmission Customer is responsible for charges applicable to a Linden VFT Schedule provided under this Schedule 16, including, but not limited to, any congestion and loss charges, redispatch costs, transitional revenue neutrality charges, scheduling, administrative, hardware or software upgrade charges, control area or administrative services charges or ancillary service charges applicable to the Transmission Provider's administration of transmission service over the Linden VFT Facility (collectively, the "Linden VFT Service Administration Charges"). In the event that any such Linden VFT Service Administration Charges are billed by the Transmission Provider to the Linden VFT Transmission Owner, the Linden VFT Transmission Owner may bill the Linden VFT Transmission Customer for such charge, and the Linden VFT Transmission Customer shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such Linden VFT Service Administration Charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility. In the event that any Transmission Enhancement Charges under Schedule 12 of the Tariff are charged to the Linden VFT Transmission Owner, the Linden VFT Transmission Owner may bill the Primary Rights Holders, and the Primary Rights Holders shall pay the Transmission Provider such Transmission Enhancement Charges, on behalf of the Linden VFT Transmission Owner, pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility.

In the event that any other charges related to the construction, maintenance, operation or upgrading of the Transmission System are assessed by the Transmission Provider to the Linden VFT Transmission Owner for the use of the Linden VFT Facility for withdrawals of energy or capacity from the Transmission System, the Linden VFT Transmission Owner may bill the Primary Rights Holder, and the Primary Rights Holder shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility. The issuance and time for payment of charges under this Schedule 16 shall be consistent with the billing and payment provisions of Section 7 of the Tariff.

Any failure of a Linden VFT Transmission Customer or a Primary Rights Holder to pay any of the charges referenced in this Section 9 shall be deemed a failure to pay by the Linden VFT Transmission Owner.

EXHIBIT A TO SCHEDULE 16

**Form of Service Agreement for
Transmission Service over the Linden VFT Facility**

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the "Transmission Provider") and _____ ("Linden VFT Transmission Customer").

2.0 The Linden VFT Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Linden VFT Reservation under the Tariff.

3.0 If required, the Linden VFT Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Linden VFT Transmission Customer agrees to take and pay for the Linden VFT Reservation in accordance with the provisions of Schedule 16 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

<u>Transmission Provider</u> PJM Interconnection, L.L.C. 955 Jefferson Avenue Valley Forge Corporate Center Norristown, PA 19403-2497
<u>Linden VFT Transmission Customer</u> _____ _____ _____

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: April 15, 2009

Effective: June 15, 2009

7.0 The Tariff, including Schedule 16, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Linden VFT Transmission Customer:

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: April 15, 2009

Effective: June 15, 2009

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Linden VFT Transmission Customer) and that
_____ (Linden VFT Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: April 15, 2009

Effective: June 15, 2009

Specifications For Transmission Service Over Linden VFT Facility

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted.

- 3.0 Point of Receipt: VFT Switching Station in Linden, New Jersey
Delivering Party: _____
- 4.0 Point of Delivery: NYISO (at the Linden Cogen 345 kV ring bus in Linden, New Jersey)
Receiving Party: _____
- 5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 16).

7.1 Linden VFT Reservation Charge:

7.2 Linden VFT Service Administration Charges:

7.3 Linden VFT Transmission Enhancement Charges:

Issued By: Craig Glazer
Vice President, Federal Government Policy

Effective: May 7, 2007

Issued On: March 16, 2007

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