

Draft 3/18/10

**Central Counterparty and Bilateral Transaction Clarification
Draft Tariff Changes**

Form Agreements in Attachments A, A-1, B, F, F-1 to Tariff

(From current effective PJM Tariff 3/2/10)

- (1) The Tariff and Operating Agreement portions containing proposed changes regarding a central counterparty are included in 6 separate documents. These documents are:
 - Operating Agreement (other than Schedule 1)
 - Part I, II, III and relevant Schedules of the Tariff
 - Attachment Q
 - Attachment K and Appendix to Attachment K
 - Attachment DD
 - Attachments with Form Agreements
- (2) Designations have not been updated

K:\pjm\Counterparty\Tariff Changes\3-18-10 posting drafts\Counterparty tariff changes Form Agreements (draft 3-18-10).doc

ATTACHMENT A

**Form of Service Agreement For
Firm Point-To-Point Transmission Service**

- 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) as administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The 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 Firm Point-To-Point Transmission Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities, Local Upgrades and/or Network Upgrades and any contingencies identified in the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer and _____ [name of transmission owner constructing upgrades] _____ are completed, if applicable, or (3) 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 or as otherwise specified in this Service Agreement.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II 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.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Transmission Customer:

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 18, 2006

Effective: March 1, 2007

- 7.0 The Tariff is incorporated herein and made a part hereof.
- 8.0 For Short-Term Firm Point-To-Point Transmission Service requested under this Agreement, the confirmation procedures set forth in this section 8.0 shall apply. Whenever PJM notifies the Transmission Customer that a request for Short-Term Firm Point-To-Point Transmission Service can be accommodated, the Transmission Customer shall confirm, by the earlier of (i) 15 days after PJM approves the request for service, or (ii) 12:00 noon on the day before the Service Commencement Date, that it will commence the requested service. Failure of the Transmission Customer to provide such confirmation will be deemed a withdrawal and termination of the request for the service, and any deposit submitted with the request will be refunded with interest.

{Use the following Section 9.0 for Long-Term Firm Point-To-Point Transmission Service Requests that require construction of Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades}

- 9.0 The Transmission Customer was notified by the Transmission Provider that the System Impact Study indicates that Firm Point-To-Point Transmission Service can not extend beyond one year from the commencement of service unless certain Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades are constructed pursuant to the Tariff and in accordance with the terms and conditions of the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer, and _____ [name of Transmission Owner constructing upgrades]_____. The required Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are identified, including estimated costs and lead times to support the requested Firm Point-To-Point Transmission Service in that Upgrade Construction Service Agreement. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Firm-Point-To-Point Transmission Service, unless and until the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are completed pursuant to the terms of the Upgrade Construction Service Agreement.
- 10.0 Rates for Long-Term Firm Point-To-Point Transmission Service shall apply pursuant to this Service Agreement and applicable provisions of the PJM Tariff. Transmission Customer will not be eligible for any credits against these rates for the value of the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities it provides; its consideration for payment for Customer-Funded Upgrades will be the Long-Term Firm Point-To-Point Transmission Service described in the Transmission Service Agreement, and the associated Upgrade-Related Rights, as described in the Upgrade Construction Service Agreement.

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

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 18, 2006

Effective: March 1, 2007

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

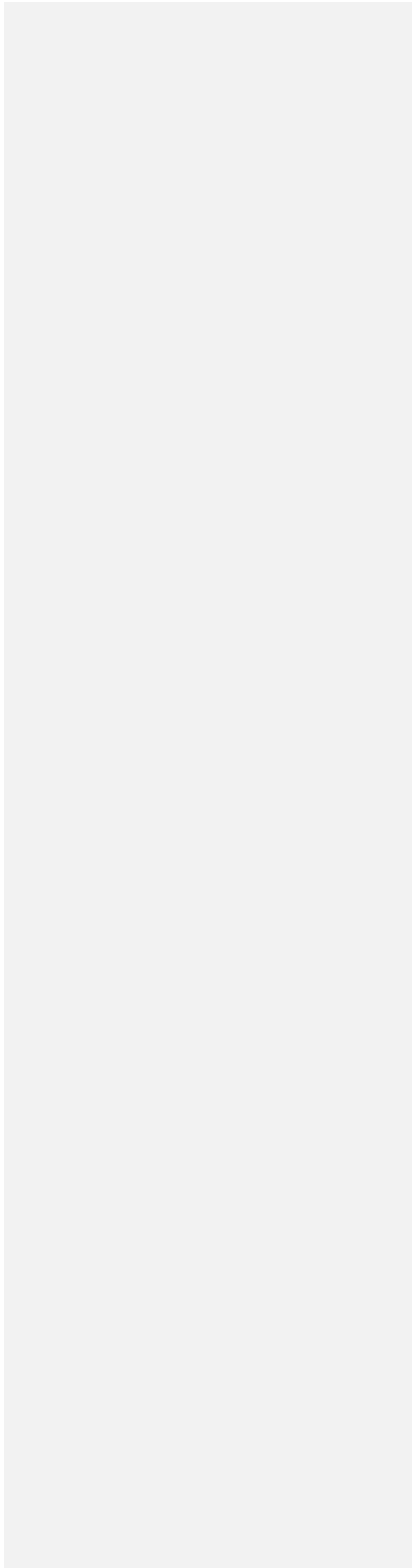
By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 18, 2006

Effective: March 1, 2007



CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (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, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

Specifications For Long-Term Firm Point-To-Point
Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted including the electric Control Area in which the transaction originates.

- 3.0 Point(s) of Receipt: _____
Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
Receiving Party: _____
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Transmission Capability): _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0 Name(s) of any Intervening Systems providing transmission service: _____

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Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

8.0 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.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Other Supporting Facilities Charge: _____

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

ATTACHMENT A-1
Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider) as the administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Issued By: Craig Glazer
Vice President, Federal Government Policy

Effective: April 15, 2008

Issued On: April 15, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, RM05-25-000, issued December 28, 2007, Preventing Undue Discrimination and Preference in Transmission Service, Order 890-A, 2006-2007 FERC Stats. & Regs., Regs. Preambles ¶ 31,261 (2007).

Transmission Provider:

Counterparty:

Assignee:

6.0 The Tariff 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.

Transmission Provider:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Issued By: Craig Glazer Effective: October 11, 2007
Vice President, Federal Government Policy

Issued On: October 11, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, RM05-25-000, issued February 16, 2007, Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, III FERC Stats. & Regs., Regs. Preambles ¶ 31,241 (2007).

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PJM Interconnection, L.L.C.
FERC Electric Tariff
Sixth Revised Volume No. 1

Original Sheet No. 275B

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Assignee:

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Federal Government Policy

Effective: October 11, 2007

Issued On: October 11, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, RM05-25-000, issued February 16, 2007, Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, III FERC Stats. & Regs., Regs. Preambles ¶ 31,241 (2007).

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

- 3.0 Point(s) of Receipt: _____
Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
Receiving Party: _____
- 5.0 Maximum amount of reassigned capacity: _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0 Name(s) of any Intervening Systems providing transmission service: _____

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: October 11, 2007

Effective: October 11, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, RM05-25-000, issued February 16, 2007, Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, III FERC Stats. & Regs., Regs. Preambles ¶ 31,241 (2007).

8.0 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.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s):

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: October 11, 2007

Effective: October 11, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-000, RM05-25-000, issued February 16, 2007, Preventing Undue Discrimination and Preference in Transmission Service, Order No. 890, III FERC Stats. & Regs., Regs. Preambles ¶ 31,241 (2007).

ATTACHMENT B
Form of Service Agreement For Non-Firm Point-To-Point
Transmission Service

- 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) as administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II 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 representative as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

Transmission Customer:

7.0 The Tariff 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

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

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CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (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, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 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) as the administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.
- 3.0 Service under this agreement shall commence on the later of: (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) 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.
- 4.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Transmission Service in accordance with the provisions of the Tariff, including the Network Operating Agreement (which is incorporated herein by reference), and this Service Agreement as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: October 1, 2004

Effective: December 1, 2004

Transmission Customer:

6.0 The Tariff for Network Integration Transmission Service 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

Counterparty:

By: _____
Name Title Date

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Transmission Customer:

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: October 1, 2004

Effective: December 1, 2004

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (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, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and/or energy to be transmitted within the PJM Region (including electric control area in which the transaction originates).

- 3.0 Network Resources: _____
- 4.0 Network Load: _____
- 5.0 Designation of party subject to reciprocal service obligation: _____
- 6.0 Name(s) of any Intervening Systems providing transmission service: _____

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Vice President, Government Policy
Issued On: April 30, 2004

Effective: May 1, 2004

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.)

7.1 Embedded Cost Transmission Charge: _____

7.2 Facilities Study Charge: _____

7.3 Direct Assignment Facilities Charge: _____

7.4 Ancillary Services Charge: _____

7.5 Other Supporting Facilities Charge: _____

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Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

ATTACHMENT F-1

**Form of Umbrella Service Agreement for
Network Integration Transmission Service
Under State Required Retail Access Programs**

- 1.0 This Service Agreement dated as of _____, including the Specifications For Network Integration Transmission Service Under State Required Retail Access Programs attached hereto and incorporated herein, is entered into, by and between PJM Interconnection, L.L.C. (“Transmission Provider”) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____, a transmission customer participating in a state required retail access program and/or a program providing for the contractual provision of default service or provider of last resort service (“Network Customer”).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Integration Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in a state required retail access program.
- 3.0 Service under this Service Agreement shall commence on _____, and shall terminate on such date as mutually agreed upon by the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 4.0 The Transmission Provider agrees to provide, and the Network Customer agrees to take, Network Integration Transmission Service in accordance with the Tariff, including the Operating Agreement of the PJM Interconnection, L.L.C. (“Operating Agreement”) (which is the Network Operating Agreement under the Tariff and is incorporated herein by reference) and this Service Agreement, as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: October 1, 2004

Effective: December 1, 2004

Network Customer

IN WITNESS WHEREOF, the Transmission Provider and the Network Customer have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Network Customer

By: _____
Name Title Date

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: March 20, 2003

Effective: March 21, 2003

SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE
PURSUANT TO STATE REQUIRED RETAIL ACCESS PROGRAMS

- 1.0 Term of Service: The term of service under this Service Agreement shall be from _____ until terminated by mutual agreement of the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 2.0 Network Operating Agreement: In accordance with Section 29.1 of the Tariff, the Network Customer must be a member of PJM Interconnection, L.L.C. and a signatory to the Operating Agreement.
- 3.0 Network Load and Network Resources: The Network Customer shall be responsible for the Transmission Provider receiving the information pertaining to Network Load, Network Resources, and Behind The Meter Generation described in this section. Such information shall be provided in accordance with procedures established by the Transmission Provider. With respect to service requests under this umbrella Service Agreement, the Transmission Provider will deem the provision of the information specified in this section as complying with the application requirements set forth in Section 29.2 of the Tariff.
 - 3.1 Network Load: For Network Load within the PJM Region, the Network Customer shall arrange for each electric distribution company (“EDC”) delivering to the Network Customer’s load to provide directly to the Transmission Provider, on a daily basis, the Network Customer’s peak load (net of operating Behind The Meter Generation, but not to be less than zero, unless such generation is separately metered and reported to PJM), by bus, coincident with the annual peak load of the Zone as determined under Section 34.1 of the Tariff. The peak load shall be expressed in terms of tenths of a megawatt and shall include all losses within the PJM Region, including other transmission losses, and distribution losses. Unless a more specific bus distribution is available, the EDC may provide a bus distribution for the Network Customer’s peak load proportional to the bus distribution for all of the load in the Zone. The information must be submitted directly to the Transmission Provider by the EDC, unless the Transmission Provider approves in advance another arrangement. For Non-Zone Network Load, the Network Customer shall provide to the Transmission Provider, on a daily basis, the Network Customer’s peak load, by interconnection at the border of the PJM Region, coincident with the annual peak load of such area as determined under Section 34.1 of the Tariff. The peak load for such Non-Zone Network Load shall be expressed in terms of tenths of a megawatt and shall not include losses within the PJM Region. Unless a more specific bus distribution is identified and node definition requested, a service

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request shall be granted upon submission of the information set forth in this Section 3.1 without any further confirmation procedures. If a Network Customer under this Service Agreement, prior to the commencement of service or at any time after the commencement of service, identifies a more specific bus distribution and requests a node definition for all or part of its Network Load that is served under state required retail access programs, the Network Customer shall notify both the Transmission Provider and the electric distribution company pursuant to the notification procedure and schedule set forth in the PJM manuals. The Transmission Provider, exercising its independent judgment and expertise, shall have the authority to resolve any difference of opinion that may arise between the Network Customer and the electric distribution company as to the applicable bus distribution or node definition. If confirmed, the more specific bus distribution will not be used for billing and settlement purposes, however, until the notification procedure set forth in the PJM manuals is completed, and in no event until June 1, to correspond with the commencement of the annual planning period.

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Vice President, Federal Government Policy
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Effective: June 1, 2007

- 3.2 Network Resources: The Network Customer, as necessary, shall designate from time to time its Network Resources. In the event the Network Resource to be designated is Behind The Meter Generation, the designation must be made before the commencement of a Planning Period as that term is defined in the Operating Agreement and will remain in effect for the entire Planning Period. Such Network Resources must be acceptable to the Transmission Provider as Network Resources in accordance with the Tariff and the Operating Agreement. Designations of resources that have not previously been accepted as Network Resources of any Network Customer or Transmission Customer shall include the information set forth in Section 29.2(v) of the Tariff. Changes in the designation of Network Resources will be treated as an application for modification of service. The Network Customer shall confirm the acceptance of a Network Resource within 15 days of the completion of a System Impact Study or 30 days after completion of a Facilities Study, as is applicable. The Transmission Provider will maintain a current list of Network Resources, which shall be updated from time to time.
- 3.3 Hourly Load: The Network Customer and/or the EDCs delivering to the Network Customer's load shall provide to the Transmission Provider, on a daily basis, hourly loads and an associated bus distribution for the Network Load. For Network Load within the PJM Region, hourly loads required under this Section shall include all losses within such area, including transmission losses, and distribution losses. The Network Customer shall notify the Transmission Provider whether the Network Customer or the EDC will submit the hourly loads. The submitted load values will include losses and shall be reduced using the applicable loss factor determined by the Transmission Provider whenever a billing determination is calculated under the Tariff without losses.
- 3.4 Energy Schedules: The Network Customer shall schedule energy for its hourly loads in accordance with the Appendix to Attachment K of the Tariff.
- 3.5 Interruptible Loads: The Network Customer shall inform or shall arrange for each EDC delivering to Network Customer's load to inform Transmission Provider about the amount and location of any interruptible loads included in the Network Load. This information shall include the summer and winter peak load for each interruptible load (had such load not been interruptible), that portion of each interruptible load subject to interruption, the conditions under which an interruption can be implemented, and any limitations on the duration and frequency of interruptions.
- 3.6 Procedures for Load Determination: The procedures by which an EDC will determine the peak and hourly loads reported to the Transmission Provider under Sections 3.1 and 3.3 may be set forth in a separate schedule to the Tariff for each EDC.

- 3.6 Procedures for Load Determination: The procedures by which an EDC will determine the peak and hourly loads reported to the Transmission Provider under Sections 3.1 and 3.3 may be set forth in a separate schedule to the Tariff for each EDC.
- 3.7 Behind The Meter Generation: For Behind The Meter Generation of a Network Customer that requires metering pursuant to section 14.5 of the Operating Agreement, the Network Customer shall arrange for the Transmission Owner or EDC to provide directly to Transmission Provider information pertaining to such Behind The Meter Generation and the total load at its location as necessary for PJM's planning purposes.
- 4.0 Energy Imbalance Service: The Network Customer will receive Energy Imbalance Service from the Transmission Provider in accordance with Schedule 4 of the Tariff. Energy Imbalance Service is considered to be PJM Interchange and will be charged at the hourly locational marginal price determined pursuant to Section 2 of the Appendix to Attachment K of the Tariff.

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Vice President, Federal Government Policy

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Effective: June 1, 2007

- 5.0 Reconciliation Billing: For Network Load within the PJM Region, to the extent required, the Transmission Provider will reconcile the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage, and provide corresponding charges and credits to Network Customer. Such reconciliation, if required, shall be made at the same rates as Energy Imbalance Service.
- 6.0 Designation of party subject to reciprocal service obligation: The Network Customer shall comply with Section 6 of the Tariff.
- 7.0 Name(s) of any Intervening Systems providing transmission service: To the extent any Network Resources are located outside the PJM Region, the list of Network Resources maintained by the Transmission Provider referenced in Section 3.2 of these specifications, shall identify any intervening systems needed to deliver those Network Resources to the Network Customer's retail load.
- 8.0 Charges: Service under this Service 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.)
- 8.1 Embedded Cost Transmission Charge: The embedded cost transmission charge shall be determined in accordance with the formula set forth in Section 34 of the Tariff.
- 8.2 System Impact and Facilities Study Charges: To the extent Network Resources are located outside, or a new resource is added to, the PJM Region, a System Impact Study and/or Facilities Study Agreement and related charges may be required pursuant to Section 32 of the Tariff.

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Vice President, Government Policy
Issued On: April 30, 2004

Effective: May 1, 2004

- 8.3 Direct Assignment Facilities Charge: To the extent that facilities or portions of facilities must be constructed by a Transmission Owner for the sole use or benefit of the Network Customer to accommodate the service requested by the Network Customer, the Network Customer shall be responsible for the cost of such Direct Assignment Facilities, and the charges for such facilities shall be specified at the time that the Transmission Provider determines the facilities that are needed to provide the requested service.
- 8.4 Ancillary Services Charge: In addition to Energy Imbalance Service, Transmission Provider shall bill the Network Customer for ancillary services in accordance with Schedules 1, 1-A, 2, 3, 5, 6, and 9 of the Tariff. To the extent required, the ancillary services charges shall also be reconciled based on any differences between the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage.
- 8.5 Other Supporting Facilities Charge: None.
- 8.6 **[Reserved]**
- 8.7 Other Charges: Transmission Provider shall charge Network Customer any and all other charges set forth in the Tariff applicable to providing Network Integration Service.
- 9.0 Designated Agent: To the extent that a Designated Agent for one or more Network Customers provides to the Transmission Provider any of the information required by these Specifications, it shall provide the information separately for each Network Customer.

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Network Customer) and that
_____ (Network 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)

(Name)

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

(Notary Public)

My Commission expires: _____

Issued By: Craig Glazer
Vice President, Governmental Policy
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