

TOA-AC Entry/Exit Provision Task Force – Charter, December 4, 2009

Mission The Transmission Owner Agreement Administrative Committee (TOA-AC) Task Force will review the entry/exit related provisions of the Transmission Owners Agreement (TOA) and the “controlled” portions of the PJM Tariff and recommend changes to provide certainty to current or prospective signatories regarding notification thresholds, approval requirements, and continuing obligations.

Principles In pursuing the mission, the Task Force will consider the following principles. Recommended policy changes should:

- Be aligned with the transmission planning process;
- Be aligned with the Reliability Pricing Model (RPM);
- Ensure continued regional reliability;
- Ensure stability of PJM processes and markets;
- Provide for timely, good faith notifications;
- Respect the integrity of TOA processes; and
- Minimize impact to other signatories to the extent possible.

Schedule The Task Force anticipates an initial report to the TOA-AC on December 8th including a partial list of policy recommendations (exit provisions) to be assigned to the Legal Issues Team (LIT) for further development. A second report including additional policy recommendations is anticipated at the January 21st TOA-AC. The January 21st meeting should also include a progress report from the LIT.

Conduct of Business Task Force discussions are confidential. All Task Force participants agree that any information obtained in the course of or through Task Force activities shall not be shared with any other person, governmental entity or company and shall not be used in any investigation, litigation or administrative proceeding. The foregoing shall not apply to disclosure of the information where disclosure is required by law or court order.

Excluded Scope Although the Task Force may consider consistency with PJM markets in its deliberations, policy recommendations will focus only on the Transmission Owner Agreement (TOA) and TO controlled provisions in the PJM Tariff.

Outline of Scope

1. Exit Provisions
 - a. Notice Requirements
 - b. Effective Date
 - c. Voting Criteria for changing a. and b.
 - d. Expenses related to withdrawal
 - e. Continuing Obligations
 - i. Indemnity/liability
 - ii. RTEP Construction Responsibility
 - iii. Schedule 12
 - iv. Planning and reporting
2. Entry Provisions
 - a. Minimum term prior to termination
 - i. Perceived issues; other topics?