

-----Original Message-----

From: Motley, Douglas [mailto:dmotley@itctransco.com]

Sent: Monday, February 10, 2014 10:08 AM

To: Glatz, Suzanne E.

Cc: Foley, Pauline; Valle, Gabriel; Jamieson, Andrew; Harvill, Terry S.; Barrett, Fran S.; Furey, Marie P.

Subject: Re: PJM competitive projects - draft DEA and CIA agreements

Suzanne: Good afternoon. Although the deadline to submit official comments on the draft Designated Entity and Coordination and Interconnection Agreements has passed, below please find several items that we thought deserving of attention and perhaps clarification or revision within the Agreements.

* The Designated Entity will have to post a letter of credit (specifics referenced in Schedule 6 of the Operating Agreement) or a cash deposit of 3% of project costs. This could be a significant expense. Note that SPP allows the novated party to provide parent guaranties instead.

* PJM has control over the timing of the project and the milestones. There is a force majeure section but it is not clear that milestones will be extended due to force majeure.

* There is a broad indemnity provision that would make the Designated Entity indemnify PJM for any losses relating to the agreement. This would trump Tariff liability provisions.

* In the event the Designated Entity claims Force Majeure, PJM could terminate the agreement, no matter how short the time period.

Thank you very much for your help to-date and for whatever consideration you can give to the above. If there are questions or if you would like clarification, etc., please contact Gabriel Valle (Sr. Counsel; 248-946-3578; gvalle@itctransco.com) or me.

Best regards,
Doug

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