

May 5, 2017

Via Electronic Filing

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: West Penn Power Company, Monongahela Power Company, and Trans-Allegheny Interstate Line Company – Filing of Amended Interconnection Agreement in Docket No. ER17-1552-000

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Federal Energy Regulatory Commission’s (“Commission’s”) Rules of Practice and Procedure,² Trans-Allegheny Interstate Line Company (“TrAILCo”), West Penn Power Company (“West Penn”) and Monongahela Power Company (“Mon Power”), each a transmission owning member of the PJM Interconnection, L.L.C. (“PJM”) (collectively, the “Applicants”), hereby submit for filing an Amended Interconnection Agreement³ (the “Agreement”) described in more detail herein.⁴

I. Description of the Applicants and Background

West Penn is a Pennsylvania corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the Commonwealth of Pennsylvania. Mon Power is an Ohio corporation, owning and operating electric facilities for the

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Consistent with Commission precedent, PJM is a signatory to the Amended Interconnection Agreement for the limited purpose of acknowledging that a representative officer of PJM has read the Agreement. *See Am. Elec. Power. Serv. Corp.*, 110 FERC ¶ 61,276, *order on reh’g* 112 FERC ¶ 61,128 (2005).

⁴ Pursuant to Order No. 714, this filing is submitted by PJM on behalf of the Applicants as part of an XML filing package that conforms to the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, the Applicants requested that PJM submit the Agreement in the eTariff system as part of PJM’s electronic Service Agreement Tariff.

transmission and distribution of electric power and energy in the State of West Virginia. TrAILCo is a Maryland corporation, owning and operating electric facilities for the transmission of electric power and energy in the States of West Virginia and Maryland and the Commonwealth of Pennsylvania and Virginia. Each of the Applicants is a transmission-owning member of PJM, and their respective transmission facilities are subject to the functional control of PJM, which provides transmission service to customers pursuant to the PJM Open Access Transmission Tariff (“PJM Tariff”).

II. Description of the Service Agreement

Service Agreement No. 1395

Service Agreement No. 1395 (“SA No. 1395”) is an amended “wires-to-wires” transmission Interconnection Agreement by and between Ohio Power Company (“OPCo”), Appalachian Power Company (“APCo”), Wheeling Power Company (“WPCo”), TrAILCo, West Penn and Mon Power and is dated April 26, 2017. The amended SA No. 1395 supersedes and cancels the prior version of SA No. 1395, which was dated June 22, 2011 and was accepted for filing in FERC Docket Nos. ER11-3581-000 and 001 on August 4, 2011⁵. Substantive changes contained in this amended Interconnection Agreement include removing American Electric Power Service Corporation and Columbus Southern Power Company as parties to the Agreement and adding TrAILCo as a party to the Agreement along with clarifications to point of interconnection descriptions involving TrAILCo and Mon Power facilities.⁶ SA No. 1395 also contains amendments necessary to add certain existing transmission interconnection points, as described below.

Interconnection Point	In-Service Date
Greenbrier Interconnection Point	1999*
Hinton Interconnection Point	1999*
Ronceverte Interconnection Point	1999*
Belmont-Mill Creek Interconnection Point	6/1/2017

* This date represents the year in which Mon Power acquired the interconnection facilities associated with the indicated points of interconnection.

The Belmont-Mill Creek interconnection modification is being completed as part of PJM Regional Transmission Expansion Project (“RTEP”) baseline upgrade b2216 and the reconfiguration will result in a change to the Mon Power-owned remote end station that connects to the existing point of interconnection. The location of the point of Belmont-Mill Creek interconnection remains the same.

⁵ *PJM Interconnection, L.L.C.*, Docket Nos. ER11-3581-000 and 001 (August 4, 2011) (delegated letter order).

⁶ There parties to SA No. 1395 have identified certain single-line diagrams that need to be updated as well. Although not updated in the instant filing, the parties are working cooperatively to amend such diagrams and will file those with the Commission as soon as they are completed.

III. Request for Effective Date

As noted above, the reconfigured Belmont-Mill Creek point of interconnection is scheduled to enter into service on or before the PJM required date of June 1, 2017 and the remaining points of interconnection were existing and not on file with the Commission after they were acquired by Mon Power; thus, the Applicants have failed to meet the Commission's prior notice requirements.⁷ No rates or charges have been applied for any of the indicated points of interconnection. The Commission has granted waiver of the notice requirement where, as here, no rates or charges have been imposed under the agreement.⁸ As such, Applicants respectfully request that the Commission grant an effective date of June 1, 2017 for the Service Agreement in order to meet the scheduled in-service date for the RTEP project.

IV. No Refund Obligations

As described above, the indicated interconnection points for SA No. 1395 have failed to meet the Commission's prior notice requirements.⁹ However, because no payments have been made or received in connection with the services provided under these agreements, any refund would cause Applicants to incur a financial loss in connection with the services provided. Therefore, Applicants hereby respectfully submit that no refunds should be required for the failure to timely file such agreements.

V. Communications

Please direct any communications regarding this filing to the following individuals:

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⁷ See 18 C.F.R. § 35.3.

⁸ See, e.g., *Central Hudson Gas & Electric Corp., et al.*, 60 FERC ¶ 61,106 (1992), *reh'g denied*, 61 FERC ¶ 61,089 (1992) (holding that waiver of the 60-day prior notice requirement will generally be granted for uncontested filings that do not change rates); *PJM Interconnection, L.L.C.*, 142 F.E.R.C. ¶ 61067 (2013) (granting waiver of the Commission's 60-day prior notice requirement of 18 C.F.R. § 35.3(a)(1) by accepting PJM's requested effective date of December 1, 2012 for proposed tariff revisions submitted on November 30, 2012).

⁹ See 18 C.F.R. § 35.3.

VI. Documents Submitted With This Filing

In accordance with the Commission's eTariff regulations, PJM, on behalf of the Applicants, is submitting an eTariff XML filing package containing the following materials:

- this transmittal letter;
- the Agreement in eTariff format;
- a copy of the Agreement in PDF format for publishing in eLibrary;
- a marked copy of SA No. 1395 in PDF format for publishing in eLibrary; and
- a PDF document with the signatures pages of the parties to the Agreements for publishing in eLibrary.

VII. Conclusion

The Applicants hereby respectfully request that the Commission accept the Agreement for filing with an effective date of June 1, 2017. The Applicants further request any waivers of the Commission's regulations necessary to give effect to such agreement as requested by the Applicants. Please direct any questions to the undersigned.

Respectfully submitted,

/s/ Carlos E. Gutierrez

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AMENDED INTERCONNECTION AGREEMENT

by and among

**OHIO POWER COMPANY, APPALACHIAN POWER COMPANY
and WHEELING POWER COMPANY**

and

**WEST PENN POWER COMPANY, MONONGAHELA POWER
COMPANY and TRANS-ALLEGHENY INTERSTATE LINE COMPANY**

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AMENDED INTERCONNECTION AGREEMENT

THIS AMENDED INTERCONNECTION AGREEMENT (the “Agreement”) is made and entered into as of this 26th day of April, 2017, by and among Ohio Power Company (“OPCo”), Appalachian Power Company (“APCo”) and Wheeling Power Company (“WPCo”, and together with OPCo, and APCo, “AEP” or “AEP Entities”), and Trans-Allegheny Interstate Line Company (“TrAILCo”), West Penn Power Company (“West Penn” or “WPP”), and Monongahela Power Company (“Mon Power” or “MP”, and together with TrAILCo and West Penn, “FirstEnergy” or “FirstEnergy Entities”). AEP and FirstEnergy may be referred to herein individually as a “Party” or collectively as the “Parties”. The terms “Party” and “Parties” as used herein shall not include PJM. This Agreement supersedes and cancels the Third Revised Service Agreement No. 1395 which is dated December 16, 2005 as revised May 17, 2011 and was accepted for filing in FERC Docket Nos. ER11-3581-000 and -001 (the “Existing IA”).

WITNESSETH:

WHEREAS, OPCo is an Ohio corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the State of Ohio;

WHEREAS, WPCo is a West Virginia corporation, owning and operating electric facilities for transmission and distribution of electric power and energy in the State of West Virginia;

WHEREAS, APCo is a Virginia corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the Commonwealth of Virginia and in the State of West Virginia;

WHEREAS, TrAILCo is a Maryland corporation, owning and operating electric facilities for the transmission of electric power and energy in the States of West Virginia and Maryland and the Commonwealth of Pennsylvania and Virginia;

WHEREAS, Mon Power is an Ohio corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the State of West Virginia;

WHEREAS, West Penn is a Pennsylvania corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the Commonwealth of Pennsylvania;

WHEREAS, the transmission systems of the Parties are interconnected by transmission lines, with such points of interconnection herein called “Interconnection Points,” and are operating in synchronism;

WHEREAS, the Parties’ respective transmission systems are under the functional control of PJM Interconnection, L.L.C. (“PJM”), a regional transmission organization (“RTO”); and

WHEREAS, FERC has required the Parties to this Agreement to include PJM as a signatory to this Agreement, pursuant to *American Electric Power Service Corporation*, 112 FERC ¶ 61,128

at P 10 (2005), in order to ensure that PJM is kept fully apprised of the matters addressed herein and so that PJM may be kept aware of any reliability and planning issues that may arise.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein set forth, the Parties hereto agree as follows:

ARTICLE 1 INTERCONNECTED OPERATION

1.1 Interconnected Operation

The Parties' transmission systems shall be interconnected at each Interconnection Point specified and described in Appendix I of this Agreement. The Parties, by amendment to this Agreement pursuant to Section 10.3, may add, discontinue or modify one or more Interconnection Points.

1.2 Continuity of Interconnected Operation

During the term of this Agreement, each Party shall continue to maintain in service its respective transmission systems interconnection facilities and essential terminal equipment necessary to maintain in a safe and reliable manner each Interconnection Point described in Appendix I.

1.3 Compliance with Law

Each Party shall comply with Good Utility Practice and Applicable Laws and Regulations, including the requirements of any Governmental Authority having jurisdiction over the Party, in performing its respective obligations and responsibilities under this Agreement.

ARTICLE 2 OPERATIONS AND MAINTENANCE

2.1 Operating Responsibilities

Each Party, if applicable, shall exercise reasonable care to design, construct, maintain, and operate its transmission system, in accordance with Good Utility Practice and any PJM requirement, and in such manner as to avoid the unauthorized use of the generation or transmission facilities of any other person, including such facilities of the other Party (hereinafter referred to as "Unauthorized Use"). Each Party may install and operate on its transmission system such relays, disconnecting devices, and other equipment, as it may deem appropriate for the protection of its transmission system or prevention of Unauthorized Use. Each Party shall maintain and operate its respective transmission system so as to reasonably minimize, in accordance with Good Utility Practice, the likelihood of a disturbance originating on its transmission system, which might cause impairment to the service of the other Party.

2.2 Interruption of Service

The interconnection of the Parties' transmission systems under this Agreement may be interrupted, upon reasonable notice, under the following circumstances: (a) by operation of automatic equipment installed for power system protection; (b) after consultation with the other

Party if practicable, when a Party deems it desirable for the installation, maintenance, inspection, repairs or replacements of equipment; (c) to comply with a directive issued by PJM; or (d) at any time that, in the sole judgment of the interrupting Party, such action is necessary to preserve the integrity of, or to prevent or limit any instability on, or to avoid or mitigate a burden on its system, or to avoid or mitigate the loss of life, injury, or property damage. If synchronous operation of the Parties' transmission systems through a particular line or lines becomes interrupted, the Parties shall cooperate so as to remove the cause of such interruption as soon as practicable and restore said lines to normal operating condition.

2.3 Maintenance and Facility Maintenance

Each Party shall maintain its facilities in a safe and reliable manner in accordance with: (i) the terms of this Agreement; (ii) applicable NERC Reliability Standards; (iii) PJM Requirements; and (iv) Good Utility Practice. Operating arrangements for facility maintenance shall be coordinated between operating personnel of the Parties' respective control centers. Except as may be necessary and appropriate in an emergency, all operating arrangements shall be in accordance with PJM Requirements.

2.4 Compliance with NERC Reliability Standards

The Parties shall confer as necessary to maintain agreeable understanding of their respective NERC-registered roles as they pertain to the operation, maintenance, or Modification of an Interconnection Point identified in Appendix I of this Agreement or the coordination of any new Interconnection Point between the Parties. Unless otherwise agreed in writing between the Parties, the Parties shall not be responsible for each other's NERC compliance requirements.

2.5 Cooperation Associated with NERC Reliability Standards

If one Party is subject to a data request, self-certification or an audit of applicable NERC Reliability Standards associated with the facilities it operates to effect the interconnection of the Parties' transmission systems at each Interconnection Point by FERC, NERC, or PJM, then the other Party shall cooperate and assist in a timely fashion and to the extent necessary to address any such data request, self-certification or an audit of applicable NERC Reliability Standards. When either Party is required to demonstrate compliance with NERC Reliability Standards with respect to such facilities, the other Party shall cooperate and assist in a timely fashion with such compliance activities.

2.6 Access

Each Party shall provide the other Party access to areas under its control as reasonably necessary to permit the other Party to perform its obligations under this Agreement, including operation and maintenance obligations. A Party that obtains such access shall comply with all safety rules applicable to the area to which access is obtained.

ARTICLE 3 METERING AND DATA ACQUISITION SYSTEM EQUIPMENT

3.1 Interconnection Point

All electric energy transmitted under this Agreement shall be of the character commonly known as either three-phase 60 Hz or direct current energy and shall flow at the Interconnection Points specified under Article 1 of this Agreement at standard nominal voltage or such other voltages as may be specified in this Agreement.

3.2 Metering and Data Acquisition System Equipment

Consistent with Appendix II of this Agreement and PJM Requirements, the Parties or an Affiliate shall install and maintain metering equipment and data acquisition system (“DAS”) equipment at each Interconnection Point for measuring electric energy for the purposes of determining load, effecting settlements, and monitoring and telemetering power flows under this Agreement.

The Parties are responsible for providing all SCADA data as required by the PJM Tariff via their respective existing ICCP data links to PJM. The Parties may receive operational data regarding the interconnection between the Parties via the ICCP data links to PJM. Should an interruption of the communication equipment interfere with either Party’s access to the SCADA data, the Parties shall use Due Diligence to resolve the problem as quickly as possible.

ARTICLE 4 CONFIDENTIALITY

4.1 Confidentiality

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by any Party, the disclosing Party shall provide in writing the basis for asserting that the information referred to in this section warrants confidential treatment, and the requesting Party may disclose such writing to an appropriate Governmental Authority.

4.2 Term

During the term of this Agreement, and for a period of five (5) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 4, each Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by the other Party.

4.3 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party, after due inquiry, was under no

obligation to the disclosing Party to keep such information confidential; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (vi) is required, in accordance with Section 4.8 or 4.11 of this Agreement, to be disclosed to any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information shall no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

4.4 Release of Confidential Information

Subject to Sections 4.8, 4.11 and 4.12, no Party shall disclose Confidential Information to any other person, except to its Representatives (limited by the FERC's Standards of Conduct requirements), without the prior written consent of the disclosing Party. A receiving Party may disclose Confidential Information to its Representatives provided that such Representative has first been advised of the confidentiality provisions of this Article 4. Notwithstanding the foregoing, a Party providing Confidential Information to a Representative shall remain primarily responsible for any release of Confidential Information by such Representative in contravention of this Article 4.

4.5 Rights

Each Party retains all rights, title, and interest in the Confidential Information that it discloses to any other Party. A Party's disclosure to the other Party of Confidential Information shall not be deemed a waiver by such Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

4.6 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness.

4.7 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as such Party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Confidential information may be used solely to fulfill a Party's obligations to the other Party under this Agreement or to comply with Applicable Laws and Regulations.

4.8 Order of Disclosure

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the Party that provided the information with prompt prior notice of such request(s) or requirement(s) so that the providing Party may seek an appropriate protective order or waive

compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or agreement, or waiver, the Party that is subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

4.9 Return or Destruction of Confidential Information

Each Party shall, within ten (10) calendar days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase, or delete (with such destruction, erasure and deletion certified in writing to the requesting Party) or to return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting Party. Notwithstanding the foregoing, a Party shall not be required to purge any historical backup media.

4.10 Remedies

The Parties agree that monetary damages may be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 4. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 4, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed to be an exclusive remedy for the Breach of this Article 4, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. The provisions of Section 12.3(b) are also applicable here.

4.11 Disclosure to FERC or its Staff

Notwithstanding anything in this Article 4 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the such Party, shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.122, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. To the extent permitted by law, each Party shall notify the other Party prior to the release of the other Party's Confidential Information to the Commission or its staff. A Party shall notify the other Party when it is notified by FERC or its staff that a request to release the other Party's Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

4.12 General Disclosure

Notwithstanding any other provisions of this Article 4, a Party may disclose the Confidential Information provided by the other Party to the extent disclosure is: (i) reasonably deemed by the

disclosing Party to be required in connection with a dispute between the Parties, or the defense of litigation or dispute; (ii) otherwise permitted by written consent of the Party that provided such Confidential Information; or (iii) necessary to fulfill its obligations to an RTO or ISO or to a regional or national reliability organization. Prior to any disclosures of another Party's Confidential Information under this Section 4.12, the disclosing Party shall promptly notify the other Party in writing and shall assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 5 INVOICING AND PAYMENT; TAXES

5.1 Purpose of Invoicing

Any invoice that is issued pursuant to this Agreement shall be for: (a) the establishment of any new Interconnection Point; (b) the modification of an existing Interconnection Point; or (c) other purposes as may be set forth in this Agreement.

5.2 Timeliness of Payment

Unless otherwise agreed upon, all invoices, if any, issued pursuant to this Agreement shall be rendered as soon as practicable in the month following the calendar month in which expenses were incurred and shall be due and payable, unless otherwise agreed upon, within thirty (30) days of receipt of such invoice. Payment shall be made by electronic transfer or such other means as shall cause such payment to be available for the use of the payee. Interest on unpaid amounts shall accrue daily at the then current prime interest rate (the base corporate loan interest rate) published in the Wall Street Journal, or, if no longer so published, in any mutually agreeable publication, plus two percent (2%) per annum, but will in no event exceed the maximum interest rate allowed pursuant to the law of the state where the Interconnection Point associated with such invoice is or is expected to be located, and shall be payable from the due date of such unpaid amount and until the date paid.

5.3 Disputed Invoices

In the event that a Party disputes an invoice, the Party shall pay the invoice in full in accordance with Section 5.2 of this Agreement subject to the refund of any amounts found to have been incorrectly invoiced plus interest on such amount at the rate stated in Section 5.2 from the date of payment until the date of the refund. In the event of a billing dispute, the disputing Party shall provide notice of the dispute to the billing Party as set out in Section 12.4. In response to the notice, the billing Party will promptly provide all documentation that is reasonably required in support of its bill and confer with the disputing Party. If these good faith efforts fail to resolve the issue, the matter may be addressed through the dispute resolution procedures of Article 7.

5.4 Invoice Adjustments

Other than as required by law, regulatory action or metering test adjustments, invoice adjustments shall be made within six (6) months of the rendition of the initial invoice.

5.5 Tax Reimbursement

If, as part of any compensation to be paid under this Agreement, any direct tax, including, but not limited to sales, excise, or similar taxes (other than taxes based on or measured by net income) is levied and/or assessed against either Party by any taxing authority on the power and/or energy manufactured, generated, produced, converted, sold, purchased, transmitted, interchanged, exchanged, exported or imported by the supplying Party to the other Party, then except as provided in Section 5.6, such supplying Party shall be fully compensated prospectively by the other Party for such direct taxes.

5.6 Contribution In-Aid of Construction

For payment amounts that are classified as contributions in-aid of construction (“CIAC”), and in the event and to the extent such CIAC payment amounts (“CIAC Payment”) are classified as taxable income by the receiving Party or if the receiving Party is tax exempt, receipt of such CIAC Payment causes said Party to become taxable, such CIAC Payment shall be increased (or “grossed-up”) to fully cover the receiving Party’s net tax consequences arising from the CIAC Payment. If at the time of invoicing the receiving Party made a good faith determination that the CIAC Payment would not be classified as taxable income but federal or state income taxes are subsequently imposed upon the receiving Party by the Internal Revenue Service (“IRS”) and/or a state department of revenue (“State”) arising from the receipt of such CIAC Payment, the Party that originally made the CIAC Payment shall reimburse the receiving Party for the full tax effect of such CIAC Payment computed in accordance with FERC rules and including any interest and penalty charged to the Party by the IRS and/or State.

ARTICLE 6 INDEMNITY AND INSURANCE

6.1 Indemnity

To the extent permitted by law, each Party (the “Indemnifying Party”) shall indemnify, save harmless, and defend the other Party from and against any losses, liabilities, costs, expenses, suits, actions, claims, and all other obligations arising out of injuries or death to persons or damage to property to the extent arising out of, in connection with, or resulting from (i) the failure of the Indemnifying Party or any of its Contractors in performance of its obligations under this Agreement, or (ii) the negligence or intentional misconduct of the Indemnifying Party or its Contractors, except that a Party’s obligation to indemnify the other Party shall not apply to the extent of any liabilities arising from the other Party’s negligence or intentional misconduct or that portion of any liabilities that arise out of the other Party’s contributing negligence, intentional acts or omissions.

Promptly after receipt by a Party entitled to indemnity (“Indemnified Party”) of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the Indemnity provided for in this Section 6.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect an Indemnifying Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall, at the Indemnified Party's option and at the Indemnifying Party's expense, defend the Indemnified Party against any and all suits, actions, or claims arising out of, connected with, or resulting from (i) the failure of the Indemnifying Party or any of its Contractors in performance of its obligations under this Agreement, or (ii) the negligence or intentional misconduct of the indemnifying Party or its Contractors provided that the Indemnifying Party shall not settle or make a plea with respect to any proceeding without the Indemnified Party's prior written consent.

A Party's obligations to another Party under this Section 6.1 shall not be limited in any way by any provision of any workers' compensation, disability benefits, payroll or other employee benefits laws; provided, however, that nothing herein shall limit or restrict any defense a Party may be entitled to assert with respect to a Third Party Claim, including a defense based on the status of such Party as a statutory employer. EACH PARTY HEREBY SPECIFICALLY AND EXPRESSLY WAIVES ANY AND ALL DEFENSES IT MAY HAVE TO AN INDEMNIFICATION OBLIGATION TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT BASED ON ANY IMMUNITY TO WHICH SUCH PARTY MAY BE ENTITLED UNDER ANY WORKERS' COMPENSATION, DISABILITY BENEFITS, PAYROLL OR EMPLOYEE BENEFITS LAWS.

For the purposes of this Section 6.1 only, the term "Party" shall include the Party's Affiliates and the directors, officers, employees, and agents of the Party and its Affiliates.

6.2 Insurance

6.2.1 Maintaining Insurance

Each Party shall maintain insurance as described in paragraphs A through E below. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and approved to do business in a state or states in which the Interconnection Point(s) is located. Failure to maintain required insurance shall be a Breach of this Agreement.

- A. Workers' Compensation insurance with statutory limits, as required by the state and/or jurisdiction in which Interconnection Construction is to be performed, and employer's liability insurance with limits of not less than one million dollars (\$1,000,000.00).
- B. Commercial General Liability Insurance and/or Excess Liability Insurance covering liability arising out of premises, operations, personal injury, advertising, products and completed operations coverage, independent contractors coverage, liability assumed under an insured contract, coverage for pollution to the extent normally available and punitive damages to the extent allowable under applicable law, with limits of not less than one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) general aggregate/one million dollars (\$1,000,000) products and completed operations aggregate.
- C. Business/Commercial Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public

roads, with a minimum, combined single limit of one million dollars (\$1,000,000) each accident combined single limit for bodily injury, including death, and property damage.

- D. Excess and/or Umbrella Liability Insurance with a limit of liability of not less than twenty million dollars (\$20,000,000.00) per occurrence. This limit applies in excess of the employer's liability, commercial general liability and business/commercial automobile liability coverages described above. This requirement can be met alone or via a combination of primary, excess and/or umbrella insurance.
- E. Professional Liability Insurance providing errors, omissions and/or malpractice coverage in the amount of one million dollars (\$1,000,000) per occurrence/aggregate. Coverage shall be provided for the Parties' representatives that are responsible for design work associated with Interconnection Construction. A Party may meet the Professional Liability Insurance requirements by requiring Contractors, designers, or engineers, or other parties that are responsible for Interconnection Construction to procure professional liability insurance in the amounts and upon the terms prescribed by this Section 6.2.1, and providing evidence of such insurance to the other Party. Nothing in this section relieves the Party from complying with the insurance requirements.

6.2.2 Additional Insureds

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by a Party shall include the other Party, and its respective officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the insured Party for bodily injury and/or property damage (including loss of use) arising out of the insured Party's operations, performance, or lack of performance under this Agreement.

6.2.3 Other Required Terms

The above-mentioned insurance policies of a Party (except workers' compensation, excess/umbrella and professional liability) shall provide the following:

- a. Each policy shall contain provisions that specify that it is primary and non-contributory for any liability arising out of the insured Party's liability, and shall apply to such extent without consideration for other policies separately carried by the other Party and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. In addition, the following shall apply to all Parties' insurance policies, to the extent allowable by law.
 - i. If any coverage is written on a claims first made basis, continuous coverage shall be maintained or an extended discovery period will be exercised for a period of not less than two (2) years after termination of this Agreement.

- ii. The insurance (including workers' compensation) shall include a waiver of all rights of subrogation which a Party's insurance carrier might exercise against the other Party.
- iii. Each Party shall be responsible for its respective deductibles or retentions.

6.2.4 No Limitation of Liability

The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by each respective Party under this Agreement.

6.2.5 Self-Insurance

Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Section 6.2 to the extent it maintains a self-insurance program, provided that such Party's or its parent company's senior secured debt is rated at investment grade or better by Standard & Poor's and its self-insurance program meets the minimum insurance requirements of this Section 6.2. For any period of time that a Party's or its parent company's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under this Section 6.2. In the event that a Party is permitted to self-insure pursuant to this section, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with this Agreement.

6.2.6 Notices; Certificates of Insurance

Each Party shall endeavor to provide the other Party with thirty days prior written notice of cancellation to any of the insurance required under this Agreement provided, however, that no notice shall be required if a canceled policy is replaced with an equivalent policy without any lapse in coverage. Each Party shall provide the other with certificates of insurance prior to commencement of Interconnection Construction related to an Interconnection Point and thereafter at such time intervals as they shall mutually agree upon, provided that such interval shall not be less than one year. The insured Party's certificates of insurance shall indicate that the certificate holder is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverage, and that this insurance is primary and non-contributory. Each Party's certificates of insurance shall evidence that a waiver of subrogation is included in the required insurance policies in favor of the other Party.

6.2.7 Contractor Insurance

In accordance with Good Utility Practice, each Party shall require each of its Contractors to maintain and provide evidence of insurance coverage of types, and in amounts, commensurate with the risks associated with the services provided by the Contractor. Bonding of Contractors

shall be at the hiring Party's discretion, but regardless of bonding, the hiring principal shall be responsible for the performance or non-performance of any Contractor it hires.

6.2.8 Reporting Incidents

The Parties shall report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE 7 DISPUTES

7.1 Mediation

Any controversy or claim arising out of or relating to this Agreement or Breach thereof that cannot be resolved after a period of thirty (30) days of negotiation may, by mutual agreement of the Parties, be settled by mediation in accordance with this Agreement. During the mediation process, the Parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by the mutual agreement of the Parties as soon as practical after the Parties agree to commence the mediation process.

7.2 Confidentiality of Mediation

The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either Party in any later proceedings relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

7.3 Termination of Mediation

If a dispute has not been resolved within forty-five (45) days after the commencement of the non-binding mediation process (or a longer period if the Parties agreed to extend the non-binding mediation), the mediation shall terminate.

7.4 Rights and Remedies

If any dispute is not settled by mediation, then any Party may pursue any and all rights and remedies available to it under this Agreement, or in law or equity. Notwithstanding the mediation hereunder, the Parties have the right to proceed directly to court to seek relief in law or in equity. The submission of a dispute to mediation shall not limit or in any way affect the applicable Party's right to effect remedies or limit such Party's rights under this Agreement or otherwise.

ARTICLE 8 TERM AND TERMINATION OF AGREEMENT

8.1 Term

This Agreement shall be effective as of the Execution Date, or such later date as the last necessary regulatory approval hereof shall be obtained (unless an earlier date is specified by the

regulatory authority having jurisdiction), and shall remain in effect until it is terminated in accordance with Section 8.2.

8.2 Termination

This Agreement may be terminated by the following means:

8.2.1 By Mutual Consent

This Agreement may be terminated as of the date on which the Parties mutually agree to terminate this Agreement.

8.2.2 By Either Party

Either Party may terminate this Agreement by providing to the other Party and to PJM thirty-six (36) months' advance written notice of its intent to terminate this Agreement, in which case this Agreement shall terminate at the end of such thirty-six (36) month notice period.

8.2.3 Upon Default

Either Party may terminate this Agreement upon the Default of the other Party by providing the defaulting Party and PJM thirty (30) days prior written notice of termination.

ARTICLE 9 BREACH AND DEFAULT

9.1 Breach and Default

A Party shall be considered in default of this Agreement ("Default") if it fails to cure a Breach in accordance with the terms of this Section 9.1. A breach ("Breach") shall mean the failure of a Party to perform or observe any material term or condition of this Agreement; provided that no Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. The breaching Party shall have thirty (30) calendar days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) calendar days, the breaching Party shall commence such cure within thirty (30) calendar days after notice and continuously and diligently complete such cure within ninety (90) calendar days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

9.2 Renegotiable Events

If one of the following conditions occurs, the Parties shall negotiate in good faith to amend this Agreement or to take other appropriate action so as to protect each Party's interest in this Agreement. This Agreement shall serve as the document upon which such negotiations shall be based and the Parties shall make as minimal modifications as necessary to effectuate the original intent and purpose of this Agreement. If the Parties are unable to reach agreement, either Party shall have the right to unilaterally file with the FERC, pursuant to Section 205 or Section 206 of

the Federal Power Act as appropriate, proposed amendments to this Agreement that the Party deems reasonably necessary to protect its interests:

- a. any change to Applicable Laws and Regulations having a material impact upon the effectiveness or enforceability of any provision of this Agreement;
- b. this Agreement is not approved or accepted for filing by the FERC without modification or condition;
- c. PJM or NERC prevents, in whole or in part, either Party from performing any provisions of this Agreement in accordance with its terms;
- d. either Party withdraws as a member of PJM;
- e. PJM Requirements are modified in a manner that materially affects either Party's ability to perform its obligations under this Agreement; or
- f. PJM, either voluntarily or involuntarily, is dissolved.

ARTICLE 10 REGULATORY AUTHORITIES

10.1 Regulatory Authorities

This Agreement is made subject to the jurisdiction of the FERC and any Governmental Authority having jurisdiction over the rates, terms conditions or services provided under this Agreement.

10.2 Adverse Regulatory Change

The Parties agree to jointly submit and support the filing of this Agreement with the FERC, if such filing is required by the Federal Power Act. Any changes or conditions imposed by the FERC in connection with such submission or otherwise in respect of this Agreement, any of which are unacceptable to a Party after the Parties' good faith attempt to negotiate a resolution to such objectionable change or condition in accordance with Section 9.2 shall be cause for termination of this Agreement upon thirty (30) days' prior written notice by the non-consenting Party to the other Party.

10.3 Amendments to the Agreement

10.3.1 Amendments

This Agreement may only be modified in a writing signed by both Parties and PJM. In the event that the Parties agree to amend this Agreement, the Parties shall, if required by Applicable Laws and Regulations, file any such amendment or modification with the FERC.

10.3.2 Section 205 and 206 Rights

Nothing contained in this Agreement shall preclude either Party from exercising its rights under Section 205 and 206 of the Federal Power Act to file for a change in any rate, term, condition or service provided under this Agreement.

ARTICLE 11 MODIFICATIONS OF FACILITIES

11.1 Generally.

Each Party may make such Modifications to its facilities as it deems necessary in its sole judgment based on Good Utility Practice, subject to the requirements of Section 11.2, below. Modifications shall be subject to any applicable approval process set forth in the PJM Tariff.

11.2 Notice.

In the event a Party plans to undertake Modifications to its facilities or transmission system that reasonably may be expected to impact the other Party's transmission system, the initiating Party shall provide the other Party and PJM with at least ninety (90) days' advance notice of the desired Modifications. The nature of, and the schedule of work for, performing such Modifications shall be subject to review and acceptance by the other Party and PJM, which review and acceptance shall not be untimely nor unreasonably withheld or delayed, to ensure that such Modifications will (i) not adversely affect a Party's transmission system, or other facilities, and (ii) are consistent with Good Utility Practice. Subject to all applicable requirements imposed by Applicable Law, PJM, and NERC, the suitability and the responsibility for the safe and adequate design, construction, operation and maintenance of the initiating Party's modifications shall be and remain the sole obligation of the initiating party. If the other Party does not respond within one hundred twenty (120) days after receipt of the notice, then the other Party will be deemed to have accepted the proposed Modifications.

11.3 Cost Responsibility.

When the actions of a Party necessitate modifications to the other Party's facilities that are not required by Applicable Law, PJM, FERC, NERC, or other Governmental authority, such Modifications to the other Party's facilities shall be made at the sole cost and expense of the Party whose actions necessitated the modifications requiring the changes, unless otherwise agreed to in writing the Parties, provided such Party's responsibility for such modification cost is limited to those costs that are incremental to costs already planned to be incurred by the other Party for such Modifications.

11.4 Information.

Subject to any applicable confidentiality agreements, each Party agrees that it will furnish to the other Party such information concerning its system as may be reasonably requested by the other Party as reasonably necessary to construct, operate, maintain, and implement Modifications to the other Party's facilities. No review of such information will constitute an acceptance or approval of the Modifications by the reviewing Party.

ARTICLE 12 GENERAL

12.1 Force Majeure

No Party shall be in default in respect to any obligation hereunder because of Force Majeure. A Party unable to fulfill any obligation by reason of Force Majeure shall use Due Diligence to remove such disability with appropriate dispatch. A Party unable to fulfill any obligation by

reason of Force Majeure shall: (a) provide prompt written notice of such Force Majeure event to the other Party which notice shall include an estimate of the expected duration of such event; and (b) attempt to exercise all reasonable efforts to continue to perform its obligations under this Agreement. The failure of a Party to perform its obligations under this Agreement as a result of Force Majeure shall only be excused for the duration of the Force Majeure and while such Party exercises Due Diligence to remove such disability. As soon as the non-performing Party is able to resume performance of its obligations, such Party shall resume performance and give prompt notice thereof to the other Party.

12.2 Waivers

No failure or delay on the part of either Party in exercising any of its rights under this Agreement, no partial exercise by either Party of any of its rights under this Agreement, and no course of dealing between the Parties shall constitute a waiver of the rights of either Party under this Agreement. Any waiver shall be effective only by a written instrument signed by the Party granting such waiver, and such shall not operate as a waiver of, or continuing waiver with respect to any subsequent failure to comply therewith.

12.3 Liability

- a. Except to the extent of the other Party's negligence or intentional misconduct or Breach of this Agreement, each Party shall be responsible for all physical damage to or destruction of the property, equipment and/or facilities owned by it and its Affiliates, regardless of who brings the claim and regardless of who caused the damage, and shall not seek recovery or reimbursement from the other Party for such damage.
- b. To the fullest extent permitted by law and notwithstanding Section 6.1 or any other provision of this Agreement, in no event shall a Party, its Affiliates, or any of their respective owners, officers, directors, employees, agents, successors or assigns be liable to the other Party, its Affiliates or any of their respective owners, officers, directors, employees, agents, successors or assigns, whether in contract, warranty, tort, negligence, strict liability, or otherwise, for any special, indirect, incidental, exemplary, consequential (including, without limitation, attorneys' fees, litigation costs, replacement power costs, lost profits or revenues, loss of good will or lost business opportunities) or punitive damages related to or resulting from performance or nonperformance of this Agreement or any activity associated with or arising out of this Agreement.
- c. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of PJM, and the Parties expressly waive any claims that may arise against PJM under this Agreement.
- d. The Parties acknowledge and understand that the signature of the authorized officer of PJM on this Agreement is for the limited purpose of acknowledging that representatives of PJM have read the terms of this Agreement. The Parties and PJM further state that they understand that FERC desires that the Parties keep

PJM fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the PJM officer shall not in any way be deemed to imply that PJM is taking responsibility for the actions of any Party, that PJM has any affirmative duties under this Agreement or that PJM is liable in any way under this Agreement.

- e. The obligations and liabilities of the entities comprising the AEP Entities under this Agreement are several but not joint.
- f. The obligations and liabilities of the entities comprising the FirstEnergy Entities under this Agreement are several but not joint.

12.4 Written Notices

Any notice this is required or permitted under this Agreement may be given by personal delivery, by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. certified or registered mail, return receipt requested, addressed to PJM or the Party entitled thereto, at:

If to OPCo, APCo,
Or WPCo:

American Electric Power
Attn: Wade Smith
8500 Smith's Mill Rd
New Albany, OH 43054
e-mail: wsmith@aep.com

and

American Electric Power
Attn: John W. Seidensticker, Associate General Counsel
1 Riverside Plaza
Columbus, OH 43215
e-mail: jwseidensticker@aep.com

and

American Electric Power
Attn: Robert L. Pennybaker, Director System
Interconnections
212 E 6th St
Tulsa, OK 74119
e-mail: rlpennybaker@aep.com

If to TrAILCo West Penn or Mon
Power:

FirstEnergy Service Company
Attn: Manager, FERC & Wholesale Connection Support
76 South Main St.
Akron, OH 44308
email: mthorn@firstenergycorp.com

and

FirstEnergy Service Company
Attn: Attorney for FERC & Wholesale Connection Support
Legal Department
76 South Main St.
Akron, OH 44308
email: pnrhao@firstenergycorp.com

If to PJM: Vice President-Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington D.C. 20005
and
General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

The above listed titles and addresses for a Party or PJM may be changed by written notice to all the other Parties and PJM. Such change shall not necessitate a filing under Section 205 of the Federal Power Act. Any such notice or communication will be deemed to have been given as of the date received.

12.5 Non-Standard Terms and Conditions Applicable to Interconnection Point(s)

The Parties may establish non-standard terms and conditions applicable to any Interconnection Point and to certain shared facilities related to an Interconnection Point that are specified in this Agreement (“Non-Standard Terms and Conditions”). The Non-Standard Terms and Conditions shall be set forth in Appendix III to this Agreement and shall be in addition to any other terms and conditions provided for in this Agreement. Any conflict between the Non-Standard Terms and Conditions and any other provisions of this Agreement shall be resolved in favor of the Non-Standard Terms and Conditions.

12.6 Governing Law

The validity and meaning of this Agreement shall be governed by and construed in accordance with federal law where applicable and, when not in conflict with or preempted by federal law, the applicable law of the state where the Interconnection Point(s) is located, without application of its conflicts of law provisions.

12.7 Defined Terms and Execution

All capitalized terms used in this Agreement shall have the meanings as specified in the body of this Agreement or Appendix IV, or as defined in the PJM Tariff. In the event of any conflict between defined terms set forth in the PJM Tariff or defined terms in this Agreement, such conflict shall be resolved in favor of the terms set forth in this Agreement. Any provisions of the PJM Tariff relating to this Agreement that uses any such defined term shall be construed using the definition given to such defined term in this Agreement. For the avoidance of doubt, the term “AEP” used in Appendix I shall mean OPCo, APCo, or WPCo as appropriate, and the term “FirstEnergy” used in Appendix I shall mean TrAILCo West Penn or Mon Power as appropriate.

12.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

12.9 Entire Agreement; Superseding Effect

This Agreement, including all exhibits, schedules, appendices and other attachments hereto, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof, including the Existing IA.

12.10 Joint Actions

- a. Any election, right, option, or other privilege of the AEP Entities as a Party under this Agreement will be exercised, if at all, only by joint action of all the AEP Entities. Any notice of such exercise given by any of the AEP Entities will constitute notice from all of the AEP Entities. Any Breach by any one of the member companies that comprise the AEP Entities shall be deemed a Breach by the designated Party to this Agreement, namely, the AEP Entities.
- b. Any election, right, option, or other privilege of the FirstEnergy Entities as a Party under this Agreement will be exercised, if at all, only by joint action of all of the FirstEnergy Entities. Any notice of such exercise given by any of the FirstEnergy Entities will constitute notice from all of the FirstEnergy Entities. Any Breach by any one of the member companies that comprise the FirstEnergy Entities shall be deemed a Breach by the designated Party to this Agreement, namely, the FirstEnergy Entities.
- c. For the avoidance of doubt, and for purposes of Article 6 (Indemnity and Insurance), a Party seeking indemnification (the “Indemnified Party”) may bring action against all of the entities comprising the Party from whom indemnification is sought (the “Indemnifying Party”) without violating Sections 12.3(e) and (f), as applicable; provided, however, that no such action against those entities shall change the allocation of liability under Sections 12.3(e) and (f).
- d. The effect or impact of an act or omission on a single entity comprising a Party shall be considered an effect or impact on that Party.

ARTICLE 13 ASSIGNMENT

13.1 Assignment

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. Successors and assigns of PJM shall become signatories to this Agreement for the limited purpose described in Section 12.3(d) of this Agreement. This Agreement shall not be assigned by any Party without the written consent of the other Party, which consent shall not be

unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, a Party or any of the entities comprising a Party (an “Assignor”) may assign this Agreement to a successor to which substantially all of the business and assets of such Assignor shall be transferred, or to an Affiliate of the Assignor for the purposes of a corporate restructuring, provided that in either case, the Assignor provides reasonable prior written notice to the other Party and the assignee assumes in writing all rights, duties, and obligations arising under this Agreement. In either such event identified in the preceding sentence, the Assignor shall be released from all further obligations and duties thereafter arising pursuant to the terms of the Agreement. An assignment of this Agreement shall be filed with the FERC for acceptance pursuant to Section 205 of the Federal Power Act.

ARTICLE 14 SURVIVAL

14.1 Survival

The termination of this Agreement shall not discharge either Party from any obligation it owes to the other Party under this Agreement by reason of any transaction, loss, cost, damage, expense or liability that shall occur (or the circumstances, events or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Agreement) shall survive the termination of this Agreement, and that either Party may enforce its rights against the other Party with respect to such obligations in an action at law or in equity to the fullest extent permitted by law.

This Agreement shall continue in effect after termination to the extent necessary for final billings and payments, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the real property, including but not limited to leased property and easements of the other Party to disconnect, remove or salvage its own facilities and equipment.

**[The remainder of this page is intentionally left blank.
The next page of this document is the signature page.]**

IN WITNESS WHEREOF, this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, as of the Execution Date.

Service Agreement No. 1395

OHIO POWER COMPANY

By: /s/ Wade Smith
(Signature)

Name: Wade Smith
(Print)

Title: Vice President

APPALACHIAN POWER COMPANY

By: /s/ Wade Smith
(Signature)

Name: Wade Smith
(Print)

Title: Vice President

WHEELING POWER COMPANY

By: /s/ Wade Smith
(Signature)

Name: Wade Smith
(Print)

Title: Vice President

APPENDIX I

Interconnection Points and One-Line Diagrams

- 1.1 The respective transmission systems of the Parties shall be interconnected at the Interconnection Point(s) described below:
 - 1.1.1 The point hereby designated and hereinafter called “**Kanawha-Gilboa Interconnection Point**”. The point of interconnection is where the 138 kV single circuit transmission line extending from APCo’s Kanawha 138 kV Station is connected to Mon Power’s Gilboa 138 kV Station (see Figure 1).
 - 1.1.2 The point hereby designated and hereinafter called “**Grassy Falls-McClung Interconnection Point**”. The point of interconnection is where the 138 kV single circuit transmission line extending from Mon Power’s Grassy Falls 138 kV Station is connected to APCo’s McClung 138 kV Station (see Figure 2).
 - 1.1.3 The point hereby designated and hereinafter called “**502 Junction-Kammer Interconnection Point**”. This point of interconnection is where WPCo’s 500 kV single circuit transmission line extending from OPCo’s 500 kV Kammer Station is connected to WPP’s 500 kV 502 Junction Station (see Figure 3).
 - 1.1.4 The point hereby designated and hereinafter called “**Kammer Station Interconnection Point #1**”. The Interconnection Point is located in the 765/500 kV Kammer Station where TrAILCo’s 765/500 kV transformer and disconnect switch connect to OPCo’s 765 KV bus. (see Figure 3). The Kammer Station Interconnection Point #1 and Point #2 shall be referred to as the “**Kammer Interconnection Points**” in Figure 3.

The point hereby designated and hereinafter called “**Kammer Station Interconnection Point #2**”. The Interconnection Point is at the line side of the 500 kV disconnect switch which is owned by TrAILCo, with WPCo owning the conductor from the 500 kV disconnect switch to the first structure outside of the Kammer 765 station and a portion of the conductors of the 500 kV 502 Junction-Kammer transmission line. (see Figure 3).
 - 1.1.5 The point hereby designated and hereinafter called “**Belmont Interconnection Point**”. This point is where APCo’s 765 kV System is connected to Mon Power’s 500 kV System through a 765/500 kV transformer (see Figure 4).
 - 1.1.6 The point hereby designated and hereinafter called “**Tidd-Wylie Ridge Interconnection Point**”. The point of interconnection is within WPCo’s 345 kV single circuit transmission line extending from OPCo’s Tidd 345 kV Station to Mon Power’s Wylie Ridge 345 kV Station is connected (see Figure 5).

- 1.1.7 The point hereby designated and hereinafter called “**Tidd-Carnegie Interconnection Point**”. The point of interconnection is where WPCo’s 138 kV single circuit transmission line extending from OPCo’s Tidd 138 kV Station is connected to Mon Power’s Carnegie 138 kV Station (see Figure 6).
- 1.1.8 The point hereby designated and hereinafter called “**Tidd-Mahans Lane Interconnection Point**”. The point of interconnection is where the 138 kV single circuit transmission line extending from OPCo’s Tidd 138 kV Station is connected to Mon Power’s Mahans Lane 138 kV Station (see Figure 7).
- 1.1.9 The point hereby designated and hereinafter called “**West Bellaire-Windsor Interconnection Point**”. This point is where OPCo’s 138 kV single circuit transmission line extending from OPCo’s West Bellaire 138 kV Station is connected to Mon Power’s Windsor 138 kV Station (see Figure 8).
- 1.1.10 The point hereby designated and hereinafter called “**South Toronto-Wylie Ridge Interconnection Point**”. This point is where OPCo’s 138 kV single circuit transmission line extending from OPCo’s 138 kV South Toronto Station is connected to a point along Mon Power’s Wylie Ridge-Weirton 138 kV Station (see Figure 9).
- 1.1.11 The point hereby designated and hereinafter called “**East Liverpool-Wylie Ridge Interconnection Point**”. This point is where WPCo’s 138 kV single circuit transmission line extending from OPCo’s 138 kV East Liverpool Station is connected to Mon Power’s Wylie Ridge 138 kV Station (see Figure 10).
- 1.1.12 The point hereby designated and hereinafter called “**Natrium-Paden City (Longreach) Interconnection Point**”. This point is where WPCo’s 138 kV single circuit transmission line extending from WPCo’s 138 kV Natrium Station is connected to Mon Power’s Paden City (Longreach) 138 kV Station (see Figure 11).
- 1.1.13 The point hereby designated and hereinafter called “**St. Mary’s-Mill Creek Interconnection Point**”. This point is where the 23 kV single circuit line extending from Mon Power’s St. Mary’s 23 kV Station is connected to OPCo’s Mill Creek 138-23 kV Station (see Figure 12).
- 1.1.14 The point hereby designated and hereinafter called “**Mill Creek-Williamstown Interconnection Point**”. This point is where OPCo’s 23 kV single circuit line extending from OPCo’s Mill Creek 138-23 kV Station is connected to Mon Power’s 23 kV Williamstown Station (see Figure 13).
- 1.1.15 The point hereby designated and hereinafter called “**Paden City-Sardis Interconnection Point**”. This point is where the 12 kV single circuit Primary line extending from Mon Power’s 138-12 kV Paden City Substation is connected to OPCo’s 12 kV Sardis Primary line (see Figure 14).

1.1.16 The point hereby designated and hereinafter called “**Belleville-Reedsville Interconnection Point**”. This point is where the 12 kV single circuit primary line extending from Mon Power’s Belleville 23-12 kV Substation is connected to OPCo’s 12 kV Reedsville Primary line (see Figure 15).

1.1.17 The point hereby designated and hereinafter called “**Willow Island-Mill Creek Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Willow Island Station is connected to OPCo’s Mill Creek 138-23 kV Station (see Figure 16 - Existing).

The “**Willow Island-Mill Creek Interconnection Point**” is scheduled to be superseded by the “**Belmont-Mill Creek Interconnection Point**” on or about June 1, 2017. At that time, the point of interconnection will be identified as the point where the 138 kV single circuit line extending from Mon Power’s 138 kV Belmont Station is connected to OPCo’s Mill Creek 138-23 kV Station (see Figure 16 - Future).

1.1.18 The point hereby designated and hereinafter called “**Oak Grove-Riverview Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Oak Grove Station is connected to OPCo’s Riverview 138 kV Station (see Figure 17).

1.1.19 The point hereby designated and hereinafter called “**Parkersburg-Belpre Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Parkersburg Station is connected to OPCo’s Belpre 138 kV Station (see Figure 18).

1.1.20 The point hereby designated and hereinafter called “**Washington-Corner Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Washington Station is connected to OPCo’s Corner 138 kV Station (see Figure 19).

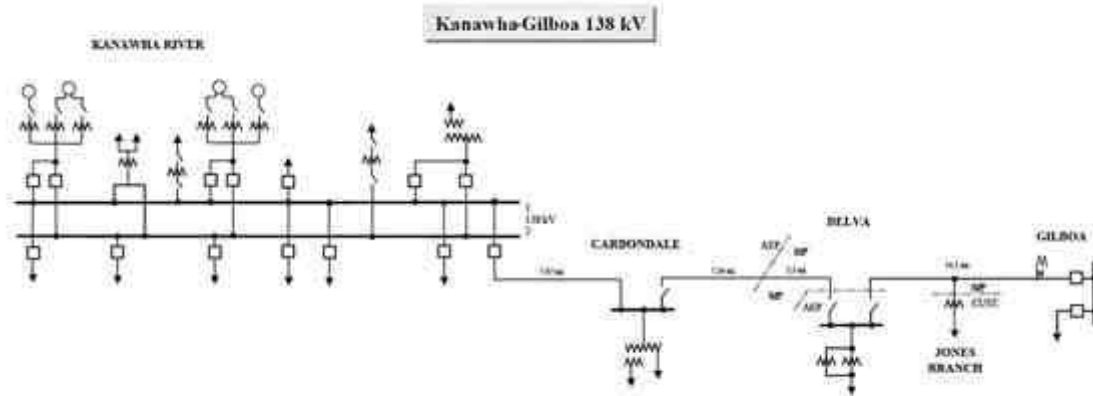
1.1.21 The points hereby designated and hereinafter called “**Greenbrier 138 kV Interconnection Points #1 and #2**”. The points where APCo’s 138 kV single circuit transmission line from Fudge Hollow and APCo’s 138 kV single circuit transmission line from Hinton are connected to Mon Power’s 138 kV system within the Mon Power Greenbrier 138 kV Station. (Figure 20)

1.1.22 The point hereby designated and hereinafter called “**Hinton 138 kV Interconnection Point**”. This point is where APCo’s 138 kV System is connected to Mon Power’s 138 kV system within the Mon Power Hinton 138 kV Station. (Figure 21)

1.1.23 The point hereby designated and hereinafter called “**Ronceverte 138 kV Interconnection Point**”. This point is where APCo’s 138 kV System is connected to Mon Power’s 138 kV system located within the Mon Power Ronceverte 138 kV Station. (Figure 22)

APPENDIX I

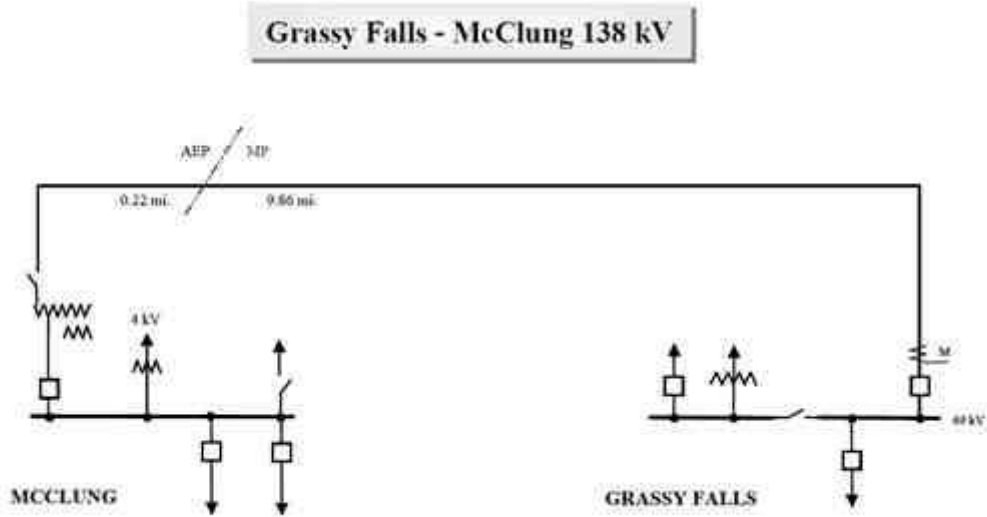
FIGURE 1



138 kV metering equipment installed at Mon Power's Gilboa 138 kV Station for the Kanawha-Gilboa Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

FIGURE 2

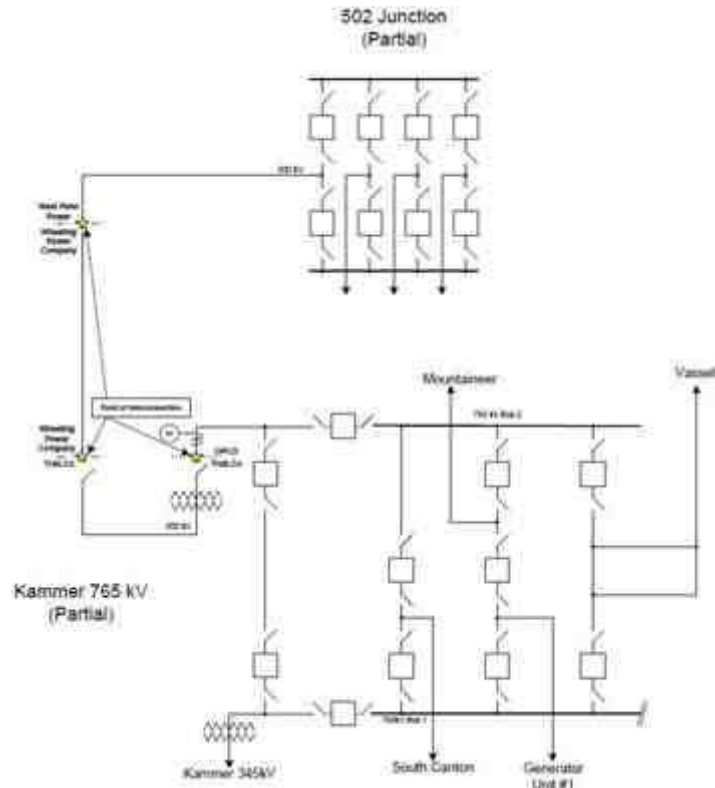


138 kV metering equipment installed at Mon Power's Grassy Falls 138 kV Station for the Grassy Falls McClung Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

FIGURE 3

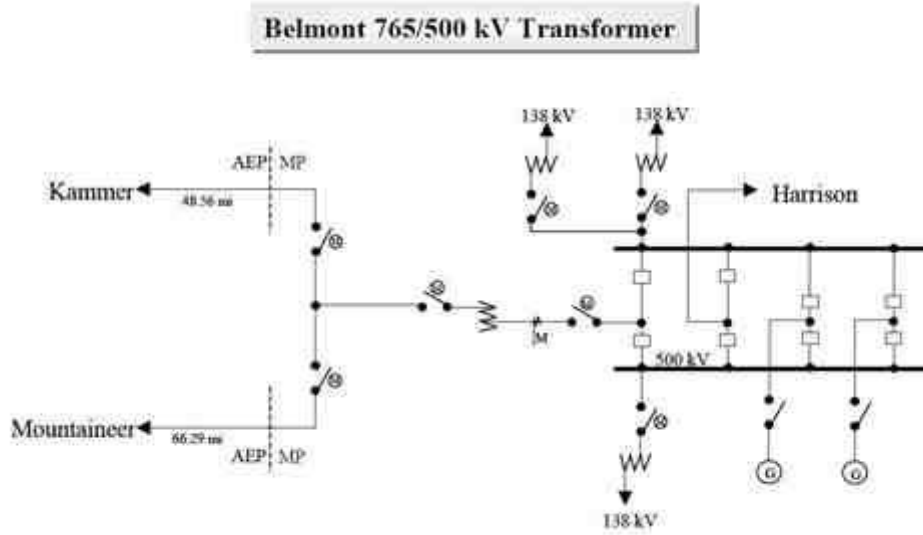
502 Junction – Kammer Interconnection Point and Kammer Interconnection Points



765 kV metering equipment installed at OPCo's Kammer 765 kV Station for the Kammer-Fort Martin 500 kV Interconnection Point installed, owned operated and maintained by OPCo. The metering effectively meters the 765 kV side of the Kammer 765/500 kV transformer, which is owned by TrAILCo.

APPENDIX I

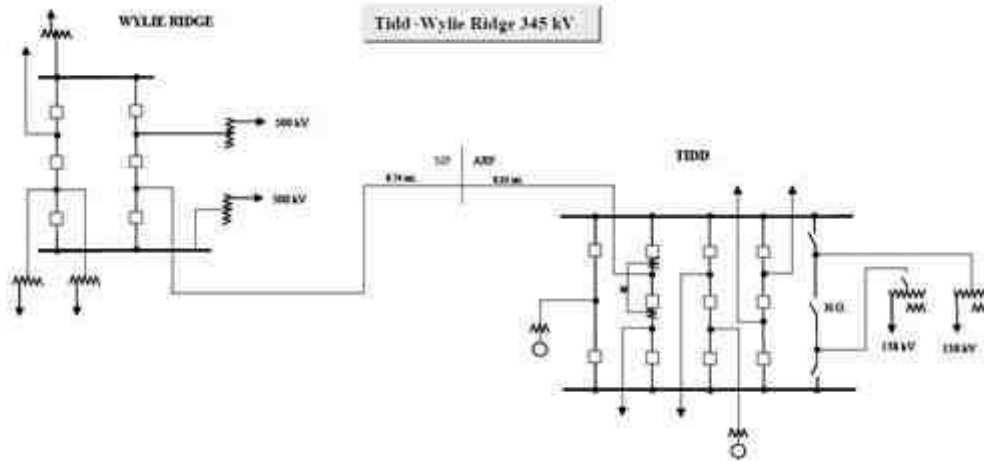
FIGURE 4



500 kV metering equipment installed at Mon Power's Belmont 500 kV Station for the Belmont Interconnection Point installed, owned operated and maintained by Mon Power. The 500 kV metering effectively meters the 765 kV side of the Belmont 765/500 kV transformer.

APPENDIX I

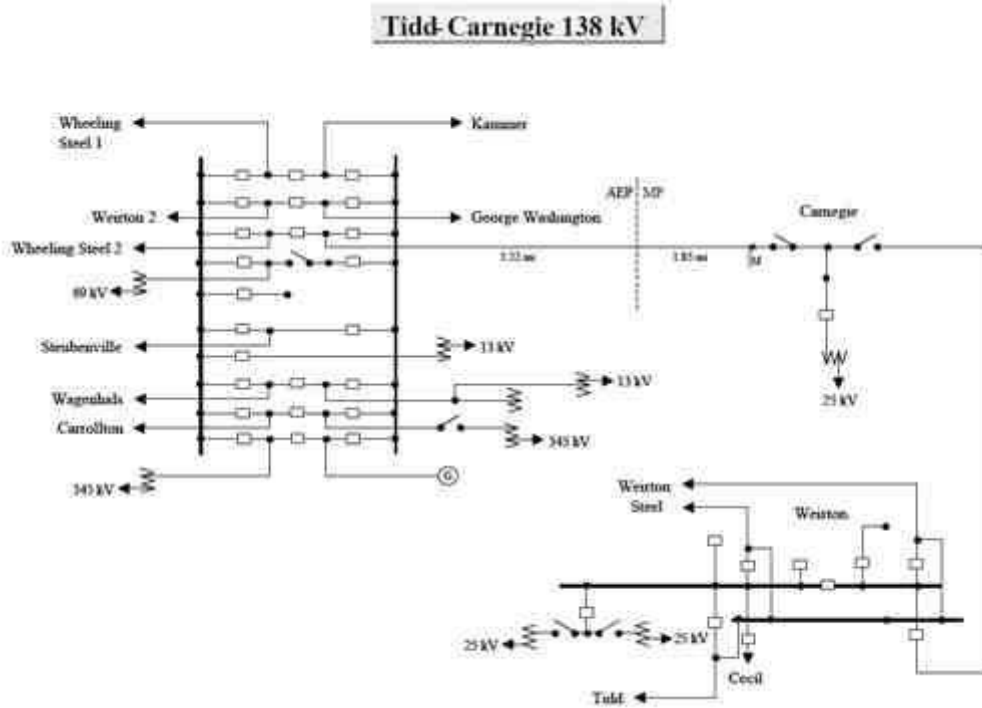
FIGURE 5



345 kV metering equipment installed at OPCo's Tidd 345 kV Station for the Tidd-Wylie Ridge Interconnection Point installed, owned operated and maintained by OPCo.

APPENDIX I

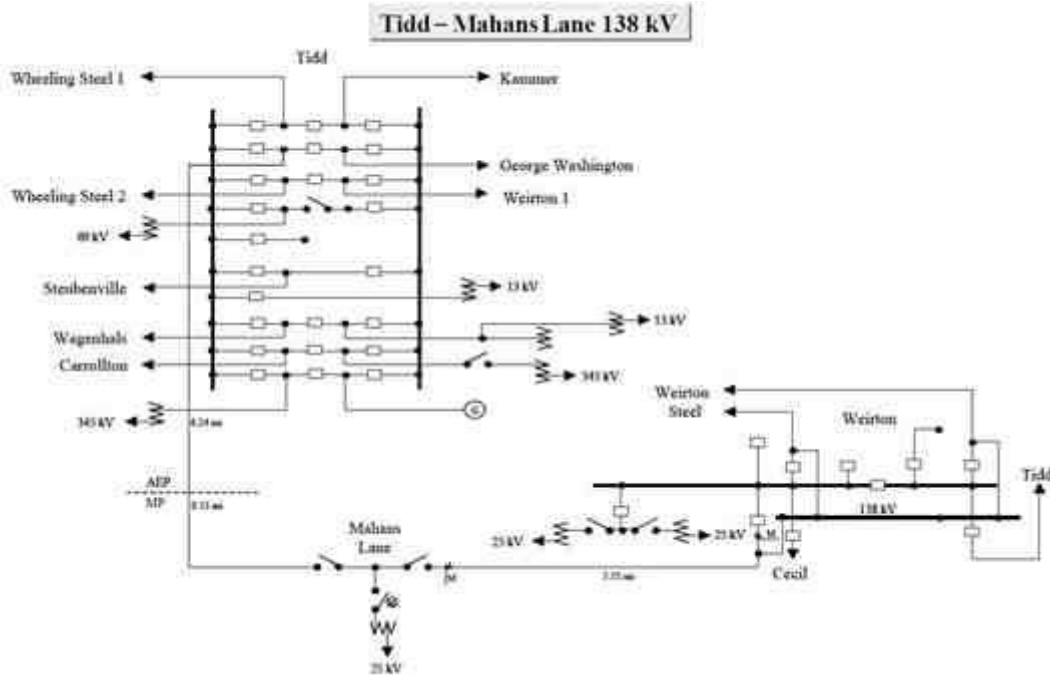
FIGURE 6



138 kV metering equipment installed at Mon Power's Carnegie 138 kV Station for the Tidd-Carnegie Interconnection Point installed, owned and operated by Mon Power.

APPENDIX I

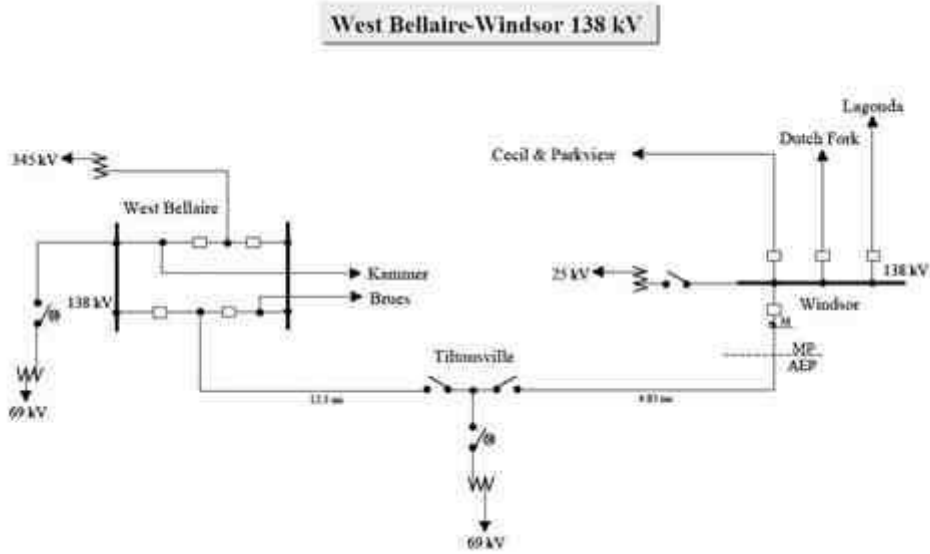
FIGURE 7



138 kV metering equipment installed at Mon Power's Mahans Lane 138 kV Station for the Tidd-Mahans Lane Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

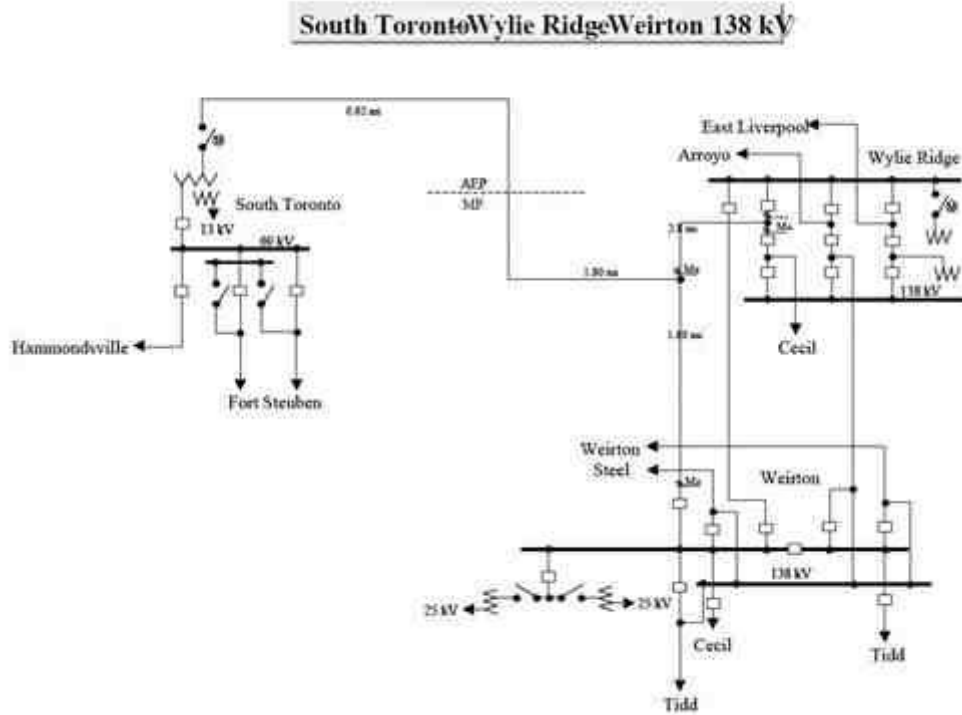
FIGURE 8



138 kV metering equipment installed at Mon Power's Windsor 138 kV Station for the West Bellaire - Windsor Interconnection Point 138 kV installed, owned, operated and maintained by Mon Power.

APPENDIX I

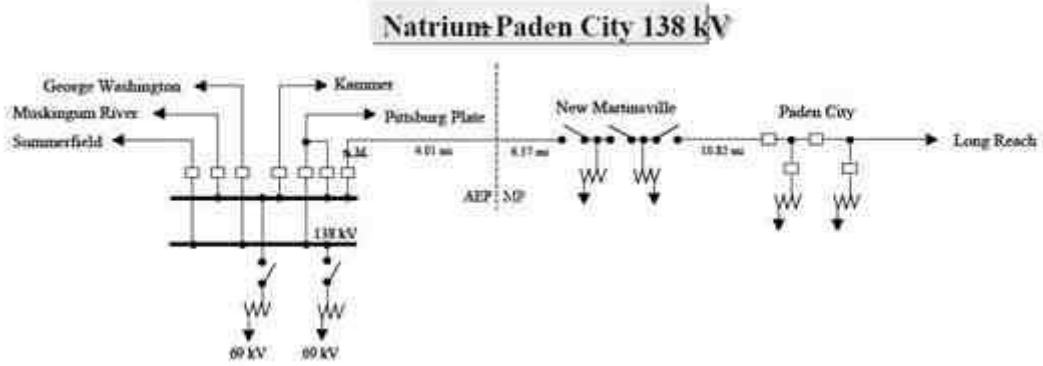
FIGURE 9



138 kV metering equipment installed at Mon Power's Wylie Ridge 138 kV Station effectively meters to the South Toronto tap for the South Toronto-Wylie Ridge-Weirton Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

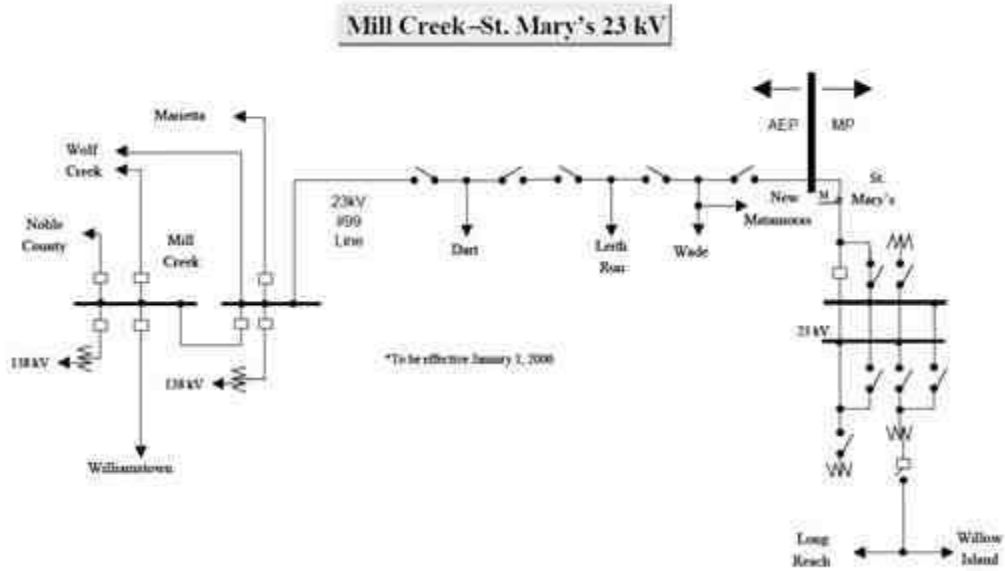
FIGURE 11



138 kV metering equipment installed at WPCo's Natrium 138 kV Station for the Natrium-Paden City (Longreach) Interconnection Point installed, owned, operated and maintained by WPCo.

APPENDIX I

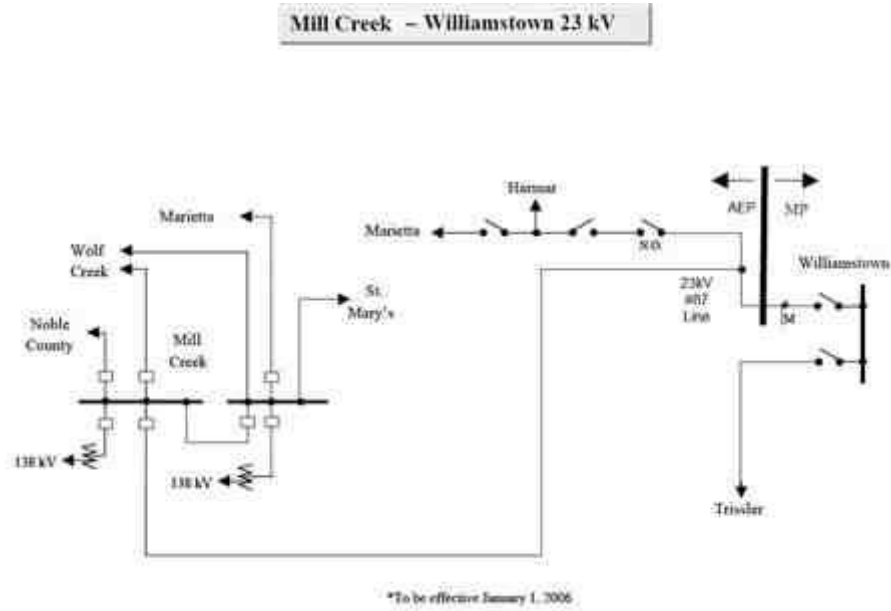
FIGURE 12



23 kV metering equipment installed at Mon Power's St. Mary 23 kV Station for the St. Mary's-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

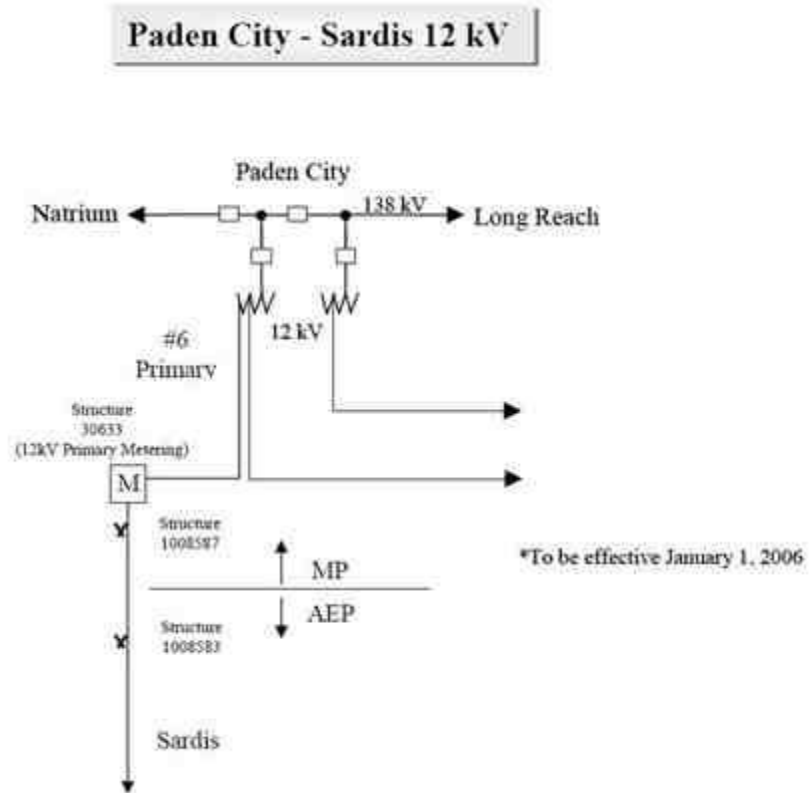
FIGURE 13



23 kV metering equipment installed at Mon Power's Williamstown 23 kV Station for the Mill Creek Williamstown Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

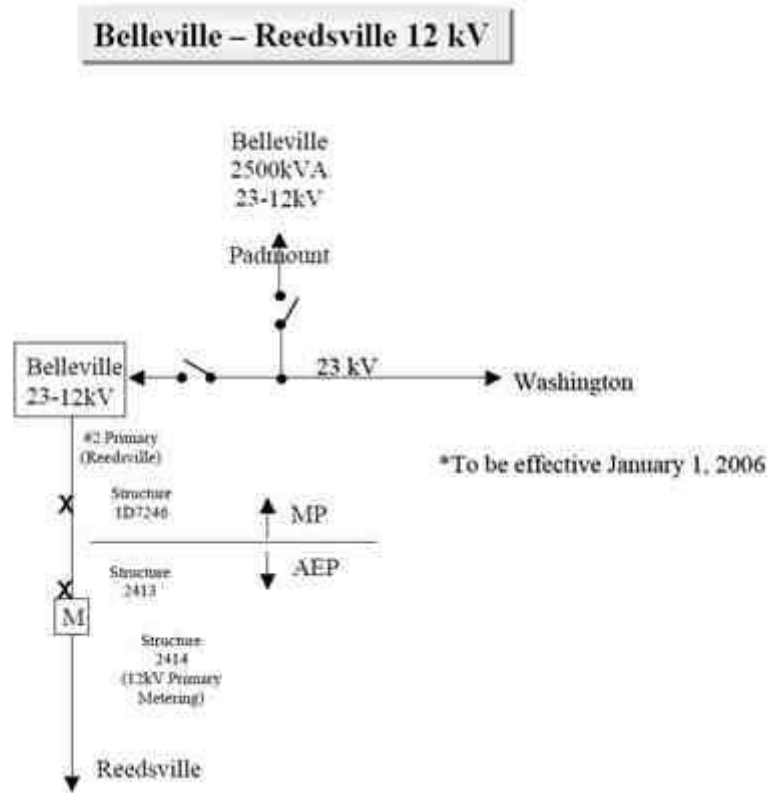
FIGURE 14



12 kV metering equipment installed near Mon Power's Paden City Substation for the Paden City-Sardis Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

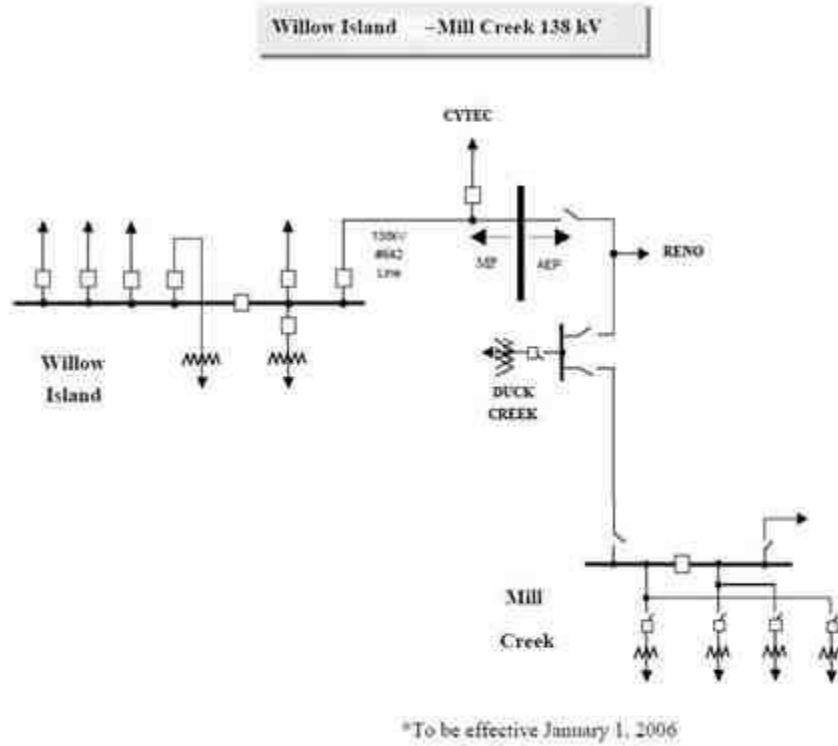
FIGURE 15



12 kV metering equipment installed near the Reedsville Substation for the Belleville-Reedsville Interconnection Point installed, owned, operated and maintained by OPCo.

APPENDIX I

FIGURE 16 (EXISTING INTERCONNECTION)

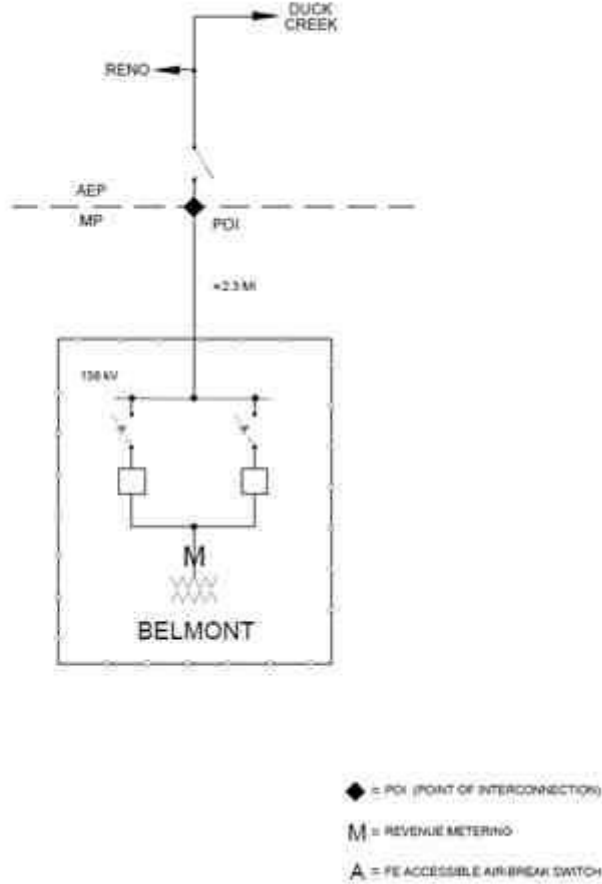


138 kV metering equipment installed at Mon Power's Willow Island 138 kV Station for the Willow Island-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

**FIGURE 16
(FUTURE INTERCONNECTION)**

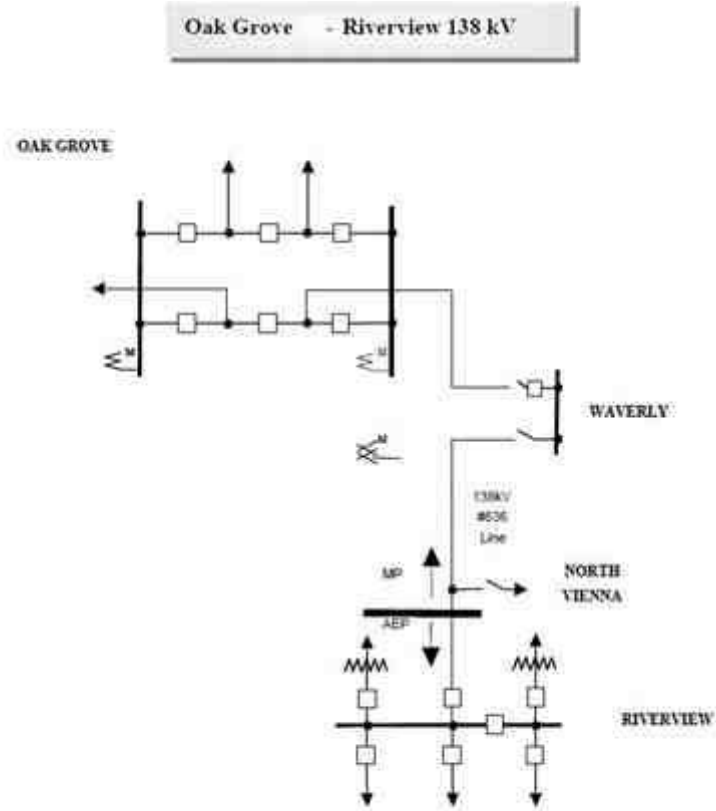
Belmont – Mill Creek 138 kV



138 kV metering equipment installed at Mon Power's Belmont 138 kV Station for the Belmont-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

APPENDIX I

FIGURE 17

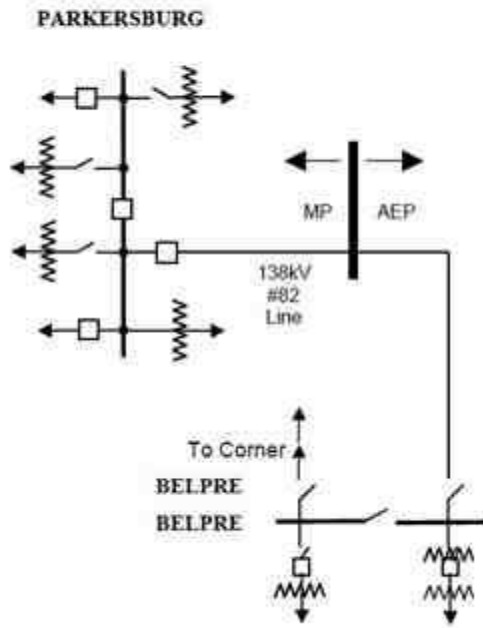


138 kV metering equipment installed at OPCo's Riverview 138 kV Station for the Oak Grove-Riverview Interconnection Point installed, owned, operated and maintained by OPCo.

APPENDIX I

FIGURE 18

Parkersburg – Belpre 138 kV

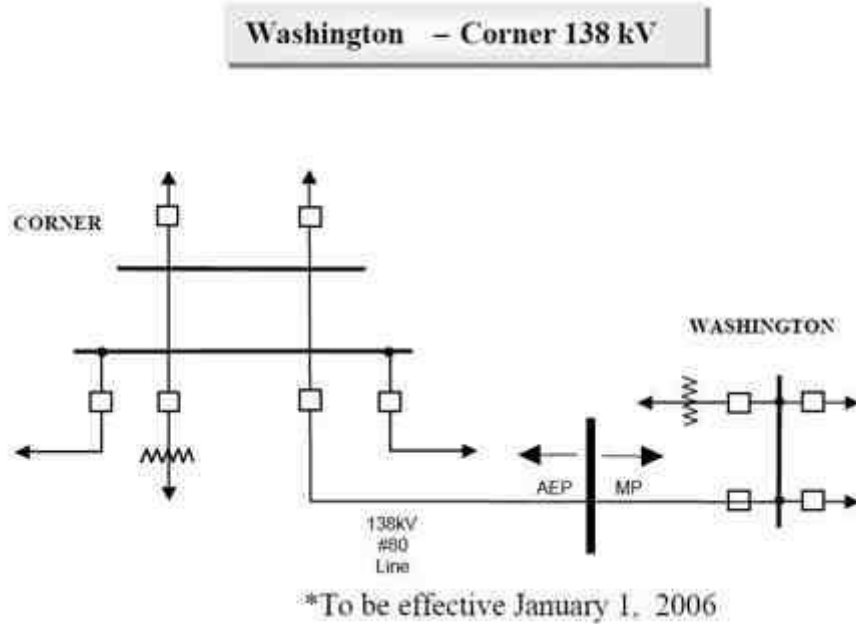


*To be effective January 1, 2006

138 kV metering equipment installed at OPCo's Belpre 138 kV Station for the Parkersburg-Belpre Interconnection Point installed, owned, operated and maintained by OPCo.

APPENDIX I

FIGURE 19

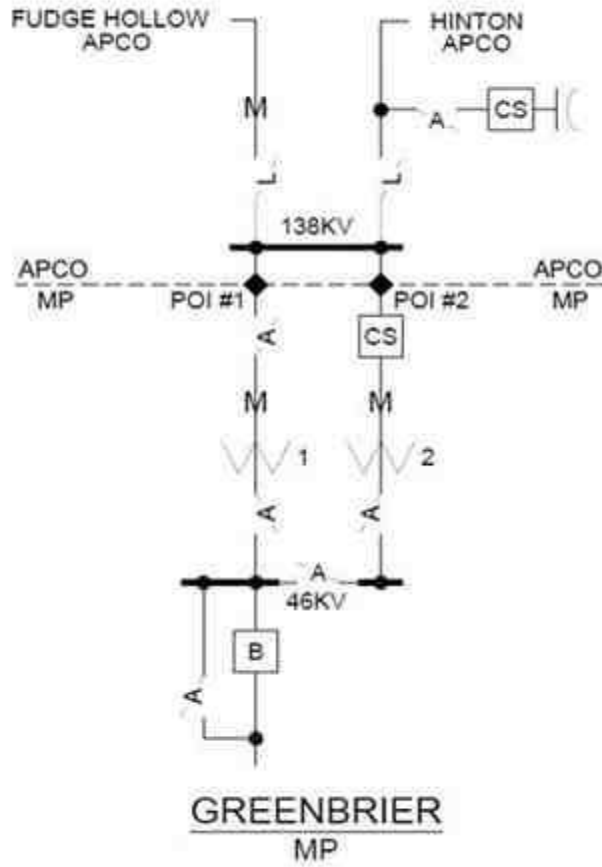


138 kV metering equipment installed at OPCo's Corner 138 kV Station for the Washington-Corner Interconnection Point installed, owned, operated and maintained by OPCo.

APPENDIX I

FIGURE 20

Greenbrier 138 kV

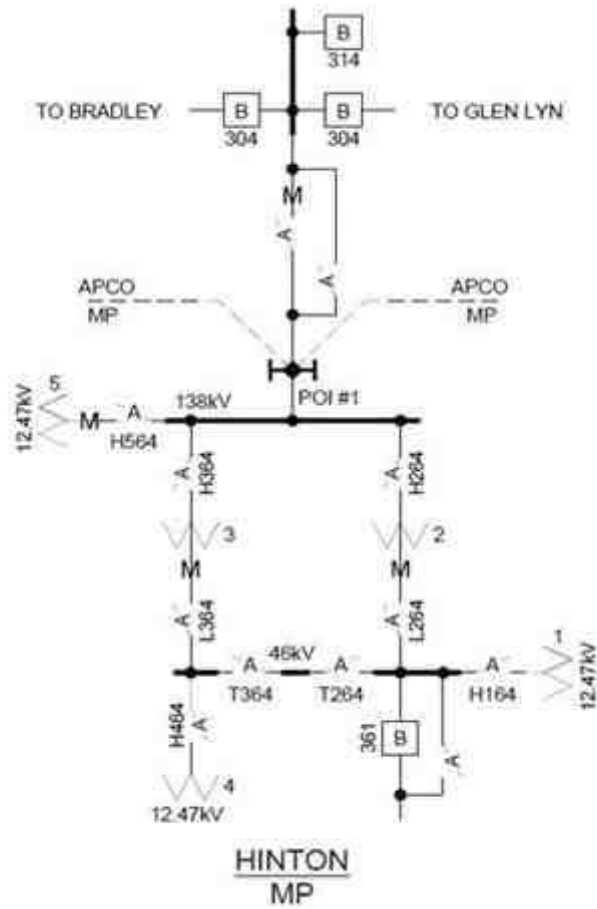


138 kV metering equipment installed at Mon Power's Greenbrier 138 kV Station owned, operated and maintained by APCo except for associated PTs and CT's which are owned by Mon Power.

APPENDIX I

FIGURE 21

Hinton 138 kV

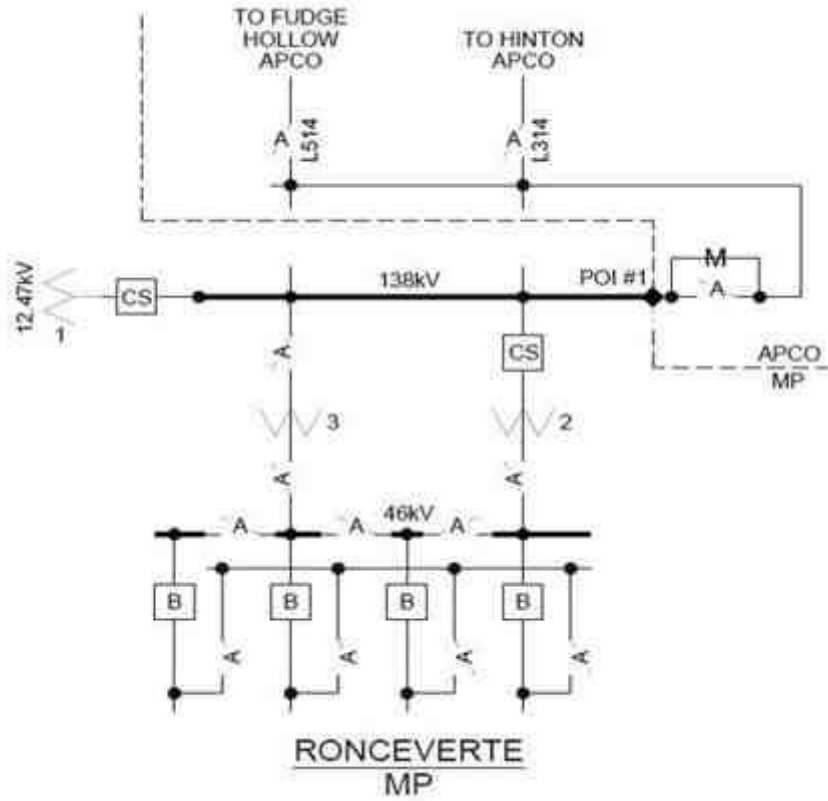


138 kV metering equipment installed on the APCo 138 kV line connected to Mon Power's 138 kV system is owned, operated and maintained by APCo.

APPENDIX I

FIGURE 22

Ronceverte 138 kV



138 kV metering equipment installed on the APCo 138 kV line connected to Mon Power's 138 kV system is owned, operated and maintained by APCo.

APPENDIX II **Metering Requirements**

1.1 Purpose

The purpose of Appendix II is to delineate the coordination of each Party's responsibilities to comply with the requirements and standards for metering as applicable to an Interconnection Point under this Agreement. The Parties shall conform and adopt the use of Appendix II as a guide to acknowledge the general principles for metering. In the event of conflict between Appendix II and any mandatory and enforceable requirement (e.g., Applicable Laws and Regulations, PJM Requirements, and NERC Reliability Standards), such conflict shall be resolved in favor of the applicable mandatory and enforceable requirement.

1.2 Metering Point

Electric power and energy delivered at an Interconnection Point shall be measured by suitable metering equipment provided by the Parties or an Affiliate at the Metering Point identified in Appendix I; and at such other points, voltages, and ownership as may be agreed upon by the Parties.

1.3 Metering Equipment

Suitable and reliable metering equipment shall be installed at each Metering Point, and shall include potential and current transformers, revenue meters, test switches and such other equipment as may be needed. The metering design and functionality established by this Appendix II shall serve as a guideline for all new interconnection metering installations, including any modification, addition or upgrade to any metering equipment after the date of this Agreement. As such, a Party may deviate from this metering design and functionality with the other Party's consent, which shall not be unreasonably withheld, conditioned or delayed.

- 1.3.1 General Requirements. All metering quantities shall be measured at the Interconnection Point. Metering equipment, including the accuracy of the meters for points of interconnection of the transmission system shall meet the applicable NERC Reliability Standards, PJM Requirements, and the American National Standards Institute ("ANSI") standards. The Parties may agree by amendment to this Agreement to install metering at locations other than the Interconnection Point; however, measured metering quantities shall be compensated for losses to the Interconnection Point. The Parties shall exercise reasonable efforts to avoid such compensating metering installations.

All reasonable costs for meter changes or meter upgrades requested by a Party shall be borne by the requesting Party, unless agreed otherwise.

- 1.3.2 Industry Standard Requirements. Three metering elements are to be used unless both Parties agree doing so is unreasonable. In the event three metering elements are not used, the (N-1) metering elements will be used to measure all real and

reactive power crossing the Interconnection Point, where N is the number of wires in service including the ground wire. The revenue quality metering package (consisting of instrument transformers, meters, sockets, and test switches) shall be installed, calibrated, and tested (at the requesting Party's expense) in accordance with the latest approved version of (but not limited to) the ANSI standards listed below, or their successors(s) including the standard testing procedures and guidelines of the Party that owns the metering equipment:

ANSI C12.1 :	Code For Electricity Metering
ANSI C12.7 :	Requirements for Watt-Hour Meter Socket
ANSI C12.9 :	Test Switches for Transformer-Rated Meters
ANSI C12.11:	Instrument Transformers for Revenue Metering, 10KV Through 350KV BIL
ANSI C12.10:	Electromechanical Watt-hour Meters
ANSI C12.16:	Solid State Electricity Meters
ANSI C12.20:	For Electricity Meters 0.2 and 0.5 Accuracy Class
ANSI C37.90.1:	Surge Withstand Capability (SWC) Test
ANSI/IEEE C57.13:	Standard Requirements for Instrument Transformers

To the extent that the above requirements conflict with the manuals, standards or guidelines of the NERC regarding interchange metering and transactions, the manuals, standards and guidelines of the NERC shall control.

- 1.3.3 Metering Equipment Maintenance and Testing. Upon installation, unless otherwise specified, the revenue meters for Interconnection Points of 500 kW or larger shall be inspected and tested in accordance with the latest applicable ANSI standards and at least once every two (2) years, or at any other mutually agreed frequency thereafter. More frequent meter tests can be performed at the request of any Party; however, the test will be performed at the requesting Party's expense if the meter is found to be within the established ANSI tolerances. The Party that owns the metering shall inform the other Party with at least three (3) weeks' advance notice of impending meter tests, and invite the other Party to attend and witness the tests.

The accuracy of the revenue meter shall be maintained at two tenths of one percent (0.2%) accuracy or better, and the meter test shall require a meter standard with accuracy traceable to the National Institute of Standards and Technology.

If at any test of metering equipment an inaccuracy shall be disclosed exceeding one percent (1%), the account between the Parties for service theretofore delivered shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (1) for the 30-day period immediately preceding the day of the test, or (2) for the period that such inaccuracy may be determined to have existed. No meter shall be left in service if the percent accuracy error is found to be more than plus or minus one percent (1%).

The Party that owns the metering equipment shall maintain records for the life of the Interconnection Point that demonstrate compliance with all meter tests and maintenance conducted in accordance with Good Utility Practice. The Non-owning Party shall have reasonable access to such records and the Party that owns the metering equipment will provide such records to the Non-owning Party upon request. If revenue metering equipment fails to function, the energy registration shall be determined from the best available data, including the check metering, if applicable. The Instrument Transformers shall also be inspected and maintained based on Section 1.3.2 of this Appendix II, and existing standards and practices of the Party that owns the metering equipment.

- 1.3.4 Current Transformer Requirements. Each Metering Point shall have a dedicated set of metering class current transformers. Unless otherwise agreed upon by the Parties, all metering shall be type 3.0 element metering, and have three (3) metering accuracy current transformers.

Current transformers shall meet or exceed an accuracy class of 0.3% (as defined in IEEE C57.13), or better. Current transformers shall comply with the minimum BIL rating as specified in standards IEEE C57.13 and ANSI C12.11.

The mechanical and thermal short term current ratings of the current transformer shall exceed or withstand the available fault current, while the secondary burden of the current transformer shall not exceed its stated name plate burden rating.

- 1.3.5 Voltage Transformers Requirements. Each Metering Point shall have a dedicated set of metering class voltage transformers. Unless otherwise agreed upon by the Parties, all metering shall be type 3.0 element metering, and have three (3) metering accuracy voltage transformers. Voltage transformers shall meet or exceed an accuracy class of 0.3% (as defined in IEEE C57.13). The secondary of the voltage transformers shall be exclusively used for the revenue meters only, so as not to exceed the secondary burden of the stated voltage transformer's nameplate burden rating provided, however, that voltage transformers with two secondary windings, may have one winding dedicated to the revenue meters, and the other winding used for the relaying purposes or for other station metering. The nameplate burden rating on either winding must not be exceeded.

Voltage transformers shall comply with the minimum BIL rating as specified in standards IEEE C57.13 and ANSI C12.11.

1.4 Remote Meter Access and Data Communications

For all Interconnection Points, not designated as normally open, the Owning Party that owns the metering equipment at such Interconnection Point, unless otherwise mutually agreed, shall be responsible for installation of the communications facilities (typically consisting of a telephone circuit and modems) for remotely accessing the meter. The Owning Party shall also be

responsible for operation and maintenance, and on-going monthly costs of the communication facilities.

- 1.4.1 Remote Billing Data Retrieval. The Owning Party may provide appropriate communication capability of electronic remote interrogation of the billing data in a manner that is compatible with commonly used billing data systems such as MV-90.
- 1.4.2 Real Time Communications. Revenue meters shall be capable of communicating with DAS equipment such as Remote Terminal Unit (“RTU”) to provide the following real-time bi-directional power and energy data: instantaneous real and reactive power flows per phase and three-phase averaged Root-Mean-Squared (“RMS”) voltages, per phase and three-phase averaged RMS currents and frequency with at least two decimal points. Alternative systems which provide the same data may be used upon agreement of the Parties.
- 1.4.3 Energy Flow Data. A continuous accumulating record of active and reactive energy flows shall be provided by means of the registers on the meters. The deployed revenue meter(s) shall be capable of providing bi-directional energy data flow in either kyz pulse signals format, or accumulated counters to RTU. All Parties shall share the same data register buffers regardless of the types of employed data communication methods. If the accumulation counter method is used, only one Party shall be responsible for freezing the accumulator buffers and the owner of the metering equipment shall freeze them. The accumulator freezing signals shall be synchronized to Universal Coordinated Time within 1/ 2 seconds.

1.5 Metering Device Requirements

All revenue meters shall be programmable and capable of measuring, recording, and displaying bi-directional active and reactive energy and four quadrant power quantities. Where applicable, revenue meters shall be programmable for compensating for power transformer and line losses and, when applicable, such compensation shall be used in determining the settlement of power transferred at the Interconnection Point. The revenue meters may preferably have at least one serial communication, one Ethernet port, hard-wired “kyz” pulse output, and internal modem for data communication.

1.6 Revenue and Additional Metering

Each Interconnection Point shall have a primary and a backup meter. The revenue meters shall be powered by the station control battery or by automatic transfer to an alternate AC source. However, each Party may have additional metering at any existing Interconnection Point. The Parties will cooperate to determine correct meter values as needed.

1.7 Meter Access

A Party whose metering equipment is located within a substation owned by the other Party shall have reasonable access to said metering equipment for purposes of meter reading, inspection,

testing, and other such valid operating purposes, if required. Such access shall not be unreasonably withheld.

1.8 Meter Removal

Upon termination of this Agreement or when the metering is no longer needed, a Party owning meter equipment in another Party's station shall remove such metering equipment from the premises of the other Party within one (1) year after termination or within one (1) year after the Party that owns the meter equipment determines that the interchange metering is no longer needed. In all cases, the removal of the metering equipment shall not inadvisably affect other existing measurement devices.

APPENDIX III
Non-Standard Terms and Conditions

None

APPENDIX IV
Definitions

“Affiliate”- shall mean with respect to a corporation, limited liability company, partnership or other entity, each such other corporation, limited liability company, partnership or other entity that either directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, limited liability company partnership or other entity.

“Applicable Laws and Regulations”- shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the relevant Parties, their respective facilities, and/or the respective services they provide.

“Contractor” – shall mean one or more persons or entities designated by either Party or its Affiliates to provide or perform all or a portion of the supply of any work, services, labor, supervision, equipment, data, materials or any other item related to the Interconnection Points identified in this Agreement.

“Confidential Information” – shall mean information clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by any Party, the disclosing Party shall provide in writing the basis for asserting that the information referred to warrants confidential treatment. “Confidential Information” does not include any information which the receiving Party can demonstrate (a) has become available to the public through no Breach of this Agreement; (b) was previously known by the receiving Party without any obligation to hold it in confidence; (c) was received on a non-confidential basis from a third party free to disclose such information without restriction; or (d) was independently developed by the receiving Party without the use of Confidential Information of the disclosing Party.

“Due Diligence” – shall mean the exercise of commercially reasonable efforts consistent with Good Utility Practice.

“Force Majeure” - shall mean any cause beyond the control of the affected Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of a public enemy or terrorist, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of Due Diligence such Party could not reasonably have been expected to avoid, and which, by the exercise of Due Diligence, it has been unable to overcome. Force Majeure does not include: (i) a failure of performance that is due to an affected Party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected Party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected Party.

“Good Utility Practice”– shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region; including those practices required by Section 215(a)(4) of the Federal Power Act.

“Governmental Authority” – shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority, having responsibility over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include either Party, nor any Affiliate thereof.

“Interconnection Construction” – shall mean construction to establish an Interconnection Point between the Parties, and the Modification of facilities by one Party materially affecting the facilities of the other Party at an existing Interconnection Point.

“Interconnection Point” – shall mean each point of electrical connection between the transmission system of one Party and the transmission system of the other Party as set forth in this Agreement.

“Metering Point” – shall mean each point at which the electrical energy flowing between the Parties at an Interconnection Point is measured.

“Modification” – Any material new construction, additions, design changes or modifications made to, or the abandonment, retirement, relocation or rearrangement of facilities.

“NERC” – shall mean the North American Electric Reliability Corporation or any successor or other entity assuming or charged with similar responsibilities related to the operation and reliability of the North American electric interconnected transmission grid and the electric transmission facilities addressed in this Agreement, including with respect to each Party’s own transmission facilities, any regional or other subordinate council of which the Parties are a member.

“NERC Reliability Standards” – shall mean mandatory and enforceable requirements, administered by NERC, approved by the FERC under Section 215 of the Federal Power Act, to provide for reliable operation of the bulk-power system.

“Non-owning Party” – shall mean the Party that does not own certain facilities as delineated in Appendix I and Appendix II to this Agreement.

“Owning Party” – shall mean the Party that owns certain facilities as delineated in Appendix I and Appendix II to this Agreement.

“PJM Requirement” – shall mean any rule, charge, procedure, or other requirements of PJM, including the PJM Tariff, applicable to FERC-jurisdictional service provided over the transmission system of either Party.

“PJM Tariff” – shall mean PJM’s Open Access transmission Tariff as on file with FERC and in effect.

“Representatives” – means a Party’s Affiliates, and the Party’s and its Affiliates’ equity owners, governing persons, officers, employees, advisors, attorneys, and prospective or actual lenders or investors.

“Third Party Claim” shall mean a claim, demand, cause of action or proceeding made or brought by a Person that is not a Party or an Affiliate of a Party.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, as of the Execution Date.

Service Agreement No. 1395

WEST PENN POWER COMPANY

By: Richard A. Ziegler (Signature)

Name: Richard A. Ziegler (Print)

Title: Director, FERC & RTO Technical Support

MONONGAHELA POWER COMPANY

By: Richard A. Ziegler (Signature)

Name: Richard A. Ziegler (Print)

Title: Director, FERC & RTO Technical Support

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: Richard A. Ziegler (Signature)

Name: Richard A. Ziegler (Print)

Title: Director, FERC & RTO Technical Support

IN WITNESS WHEREOF, this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, as of the Execution Date.

Service Agreement No. 1395

OHIO POWER COMPANY

By: Wade Smith (Signature)

Name: Wade Smith (Print)

Title: Vice President

JWS

APPALACHIAN POWER COMPANY

By: Wade Smith (Signature)

Name: Wade Smith (Print)

Title: Vice President

JWS

WHEELING POWER COMPANY

By: Wade Smith (Signature)


Name: Wade Smith (Print)

Title: Vice President

JWS

The signature below of the authorized officer of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative of PJM has read this Agreement as of 2nd day of MAY, 2017.

PJM INTERCONNECTION, L.L.C.

By: 
(Signature)

Name: STEVEN R. HERLING
(Print)

Title: VICE PRESIDENT, PLANNING

~~Third Revised~~ Service Agreement No. 1395
~~Superseding Second Revised Service Agreement No. 1395~~
Effective May 17, 2011

AMENDED INTERCONNECTION AGREEMENT

**by and among
between**

~~AMERICAN ELECTRIC POWER SERVICE CORPORATION~~

As agent for

**OHIO POWER COMPANY, ~~COLUMBUS SOUTHERN~~
~~POWER COMPANY~~, APPALACHIAN POWER COMPANY;
and WHEELING POWER COMPANY**

and

**WEST PENN POWER COMPANY, MONONGAHELA POWER COMPANY and
~~MONONGHELA POWER~~ TRANS-ALLEGHENY INTERSTATE LINE COMPANY;**

~~December 16, 2005~~

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[Appendix IV Definitions](#)

AMENDED INTERCONNECTION AGREEMENT

THIS AMENDED INTERCONNECTION AGREEMENT (the “Agreement”) is made and entered into as of this ~~16th~~26th day of ~~December, 2005, between American Electric Power Service Corporation as agent for~~April, 2017, by and among Ohio Power Company (“OPCo”), ~~Columbus Southern Power Company (“CSP”),~~ Appalachian Power Company (“APCo”) and Wheeling Power Company (“WPCo”, and together with OPCo, ~~CSP,~~ and APCo, “AEP” or “AEP Entities”), and Trans-Allegheny Interstate Line Company (“TrAILCo”), West Penn Power Company (“West Penn”) or “WPP”, and Monongahela Power Company (“Mon Power,” or “MP”, and together with TrAILCo and West Penn, “FirstEnergy Companies”). ~~OPCo, CSP, APCo, WPCo, West Penn Power, and Mon Power” or “FirstEnergy Entities”).~~ AEP and FirstEnergy may be referred to herein individually as a “Party” or collectively as the “Parties”. The terms “Party” and “Parties” as used herein shall not include PJM. This Agreement supersedes and cancels the Third Revised Service Agreement No. 1395 which is dated December 16, 2005 as revised May 17, 2011 and was accepted for filing in FERC Docket Nos. ER11-3581-000 and -001 (the “Existing IA”).

W I T N E S S E T H:

WHEREAS, OPCo is an Ohio corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the State of Ohio;

~~WHEREAS, CSP is an Ohio corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the State of Ohio;~~

WHEREAS, WPCo is a West Virginia corporation, owning and operating electric facilities for transmission and distribution of electric power and energy in the State of West Virginia;

WHEREAS, APCo is a Virginia corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the Commonwealth of Virginia and in the State of West Virginia;

WHEREAS, TrAILCo is a Maryland corporation, owning and operating electric facilities for the transmission of electric power and energy in the States of West Virginia and Maryland and the Commonwealth of Pennsylvania and Virginia;

WHEREAS, Mon Power is an Ohio corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the State of West Virginia; ~~and~~

WHEREAS, West Penn is a Pennsylvania corporation, owning and operating electric facilities for the transmission and distribution of electric power and energy in the Commonwealth of Pennsylvania;

~~WHEREAS, OPCo, APCo and WPCo and West Penn and Mon Power have previously entered into a Facilities Agreement and an Operating Agreement both dated June 1, 1971 as subsequently modified (“Facilities Agreement” and “Operating Agreement,” respectively); pursuant to which the systems of the Parties are presently interconnected and operated in parallel through certain transmission facilities;~~

~~WHEREAS, the Parties wish to amend and restate the Facilities Agreement and Operating Agreement, and all modifications or addenda thereto, with respect to the interconnected operation of their respective systems by setting forth in this Agreement the terms and conditions upon which the Parties shall continue the interconnected operation of their respective systems;~~

~~WHEREAS, the~~WHEREAS, the transmission systems of the Parties are interconnected by transmission lines, with such points of interconnection herein called “Interconnection Points,” and are operating in synchronism;

~~WHEREAS, the Parties, pursuant to an Asset Purchase Agreement dated as of August 2, 2005 between CSP and Mon Power, wish to include the new AEP—FirstEnergy Companies’ Interconnection Points formed due to CSP’s acquisition of Mon Power’s facilities in Ohio;~~

~~WHEREAS, FirstEnergy Companies’ transmission facilities and AEP’s transmission facilities~~WHEREAS, the Parties’ respective transmission systems are under the functional control of PJM Interconnection, L.L.C. (“PJM”), a regional transmission organization (“RTO”); and

WHEREAS, ~~the Federal Energy Regulatory Commission (“FERC”)~~, has required ~~that~~the Parties to this Agreement to include PJM as a signatory to this Agreement, pursuant to American Electric Power Service Corporation, 112 FERC ¶ 61,128 at P 10 (2005), in order to ensure that PJM is kept fully apprised of the matters addressed herein and so that PJM may be kept aware of any reliability and planning issues that may arise.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein set forth, the Parties hereto agree as follows:

ARTICLE 1 —INTERCONNECTED OPERATION

1.1- Interconnected Parties Operation

The ~~AEP and the FirstEnergy Companies' Parties'~~ transmission systems shall ~~continue to~~ be interconnected at ~~the each~~ Interconnection Points specified and described in Appendix ~~I~~ of this Agreement. The Parties, by amendment to this Agreement pursuant to Section 10.3, may add, discontinue or modify ~~the Interconnection Points and such additional, discontinued or modified more~~ Interconnection Points ~~shall be reflected in a revised Appendix I. The Parties shall, during,~~

1.2 Continuity of Interconnected Operation

During the term of ~~the is~~ Agreement, each Party shall continue to maintain in service ~~the existing its respective~~ transmission ~~lines systems interconnection facilities~~ and essential terminal equipment necessary to maintain ~~them in a safe and reliable manner each~~ Interconnection ~~Points specified and Point~~ described in Appendix ~~I~~.

ARTICLE 2 — SERVICE CONDITIONS

2.1 — Avoidance of Unauthorized Use and Control of System Disturbance

1.3 Compliance with Law

Each Party shall ~~have facilities or contractual arrangements adequate to serve its own load and~~ comply with Good Utility Practice and Applicable Laws and Regulations, including the requirements of any Governmental Authority having jurisdiction over the Party, in performing its respective obligations and responsibilities under this Agreement.

ARTICLE 2 OPERATIONS AND MAINTENANCE

2.1 Operating Responsibilities

Each Party, if applicable, shall exercise reasonable care to design, construct, maintain, and operate its ~~facilities~~ transmission system, in accordance with Good Utility Practice and any PJM requirement, and in such manner as to avoid the unauthorized ~~utilization use~~ of the generation or transmission facilities of any other person-, including such facilities of the other Party (hereinafter referred to as “Unauthorized Use”). ~~Any Each~~ Party may install and operate on its transmission system such relays, disconnecting devices, and other equipment, as it may ~~be deemed deem~~ appropriate for the protection of its transmission system or prevention of Unauthorized Use. ~~The Parties~~ Each Party shall maintain and operate ~~their its~~ respective ~~system~~ transmission system so as to reasonably minimize, in accordance with Good Utility Practice, the likelihood of a disturbance originating ~~in either on its transmission~~ system, which might cause impairment to the service of the other Party ~~or of any system interconnected with the system of the other Party.~~

2.2-2 Interruption of Service

~~The interconnections provided~~The interconnection of the Parties' transmission systems under this Agreement may be interrupted ~~or reduced,~~ upon ~~such notice as is~~ reasonable notice, under the following circumstances: (a) by operation of automatic equipment installed for power system protection; (b) after consultation with the other Party if practicable, when a Party deems it desirable for the installation, maintenance, inspection, repairs or replacements of equipment; (c) to comply with a directive issued by PJM; or (d) at any time that, in the sole judgment of the interrupting Party, such action is necessary to preserve the integrity of, or to prevent or limit any instability on, or to avoid or mitigate a burden on its system, or to avoid or mitigate the loss of life, injury, or property damage. If synchronous operation of the Parties' transmission systems through a particular line or lines becomes interrupted, the Parties shall cooperate so as to remove the cause of such interruption as soon as practicable and restore said lines to normal operating condition.

~~2.3~~ Operating Responsibilities

2.3 Maintenance and Facility Maintenance

Each Party shall maintain its ~~equipment in a manner consistent with Good Utility Practice in order to permit the Parties to operate those facilities as required by this Agreement.~~ in a safe and reliable manner in accordance with: (i) the terms of this Agreement; (ii) applicable NERC Reliability Standards; (iii) PJM Requirements; and (iv) Good Utility Practice. Operating arrangements for facility maintenance shall be coordinated between operating personnel of the ~~AEP System Control Center and operating personnel of the FirstEnergy Companies' Operations Center.~~ Parties' respective control centers. Except as may be necessary and appropriate in an emergency, all operating arrangements shall be coordinated in accordance with, and consistent with, the practices of the RTO with functional control over the transmission facilities of a Party or the Parties. PJM Requirements.

~~2.4~~ Energy Losses

~~The energy losses on the interconnected facilities shall be assigned to the appropriate Party based on the metering points of the facilities or according to procedures developed by the Operating Committee and subject to any requirements of an RTO that has functional control over the transmission facilities of a Party or the Parties.~~ 2.5 Good Utility Practice

~~The term "Good Utility Practice" as used herein shall have the same definition as in the PJM Tariff.~~

2.4 Compliance with NERC Reliability Standards

The Parties shall confer as necessary to maintain agreeable understanding of their respective NERC-registered roles as they pertain to the operation, maintenance, or Modification of an Interconnection Point identified in Appendix I of this Agreement or the coordination of any new Interconnection Point between the Parties. Unless otherwise agreed in writing between the Parties, the Parties shall not be responsible for each other's NERC compliance requirements.

2.5 Cooperation Associated with NERC Reliability Standards

If one Party is subject to a data request, self-certification or an audit of applicable NERC Reliability Standards associated with the facilities it operates to effect the interconnection of the Parties' transmission systems at each Interconnection Point by FERC, NERC, or PJM, then the other Party shall cooperate and assist in a timely fashion and to the extent necessary to address any such data request, self-certification or an audit of applicable NERC Reliability Standards. When either Party is required to demonstrate compliance with NERC Reliability Standards with respect to such facilities, the other Party shall cooperate and assist in a timely fashion with such compliance activities.

2.6 Access

Each Party shall provide the other Party access to areas under its control as reasonably necessary to permit the other Party to perform its obligations under this Agreement, including operation and maintenance obligations. A Party that obtains such access shall comply with all safety rules applicable to the area to which access is obtained.

ARTICLE 3 ~~—INTERCONNECTION POINTS, METERING POINTS AND~~ METERING AND DATA ACQUISITION SYSTEM EQUIPMENT

3.1- Interconnection Points

All electric energy ~~delivered~~transmitted under this Agreement shall be of the character commonly known as either three-phase 60 Hz or direct current energy and shall ~~be delivered~~flow at the Interconnection Points specified under Article 1 ~~(and Appendix I)~~ of this Agreement at standard nominal voltage or such other voltages as may be specified in ~~Appendix I~~this Agreement.

3.2- Metering and Data Acquisition System Equipment

~~Measurement of~~Consistent with Appendix II of this Agreement and PJM Requirements, the Parties or an Affiliate shall install and maintain metering equipment and data acquisition system ("DAS") equipment at each Interconnection Point for measuring electric energy for the purposes of determining load ~~and,~~ effecting settlements, and monitoring and telemetering ~~of~~ power flows under this Agreement ~~shall be made by standard types of metering and data acquisition system ("DAS") equipment installed and maintained, as per the PJM Operating Agreement, by the owner at the Interconnection Points consistent with provisions and exhibits of Appendix II and III of this Agreement.~~

~~Any aspects of metering and data acquisition system equipment not specifically provided for.~~

~~The Parties are responsible for providing all SCADA data as required by the PJM Operating Agreement will be referred to the Operating Committee. Tariff via their respective existing ICCP data links to PJM. The Parties may receive operational data regarding the interconnection between the Parties via the ICCP data links to PJM. Should an interruption of the communication equipment interfere with either Party's access to the SCADA data, the Parties shall use Due Diligence to resolve the problem as quickly as possible.~~

~~ARTICLE 4 – RECORDS CONFIDENTIALITY~~

~~4.1 — Copies Confidentiality~~

~~Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of ~~Records~~the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by any Party, the disclosing Party shall provide in writing the basis for asserting that the information referred to in this section warrants confidential treatment, and the requesting Party may disclose such writing to an appropriate Governmental Authority.~~

~~Each Party shall provide to a requesting Party copies of records maintained in accordance with FERC record retention requirements to the extent such records document any transactions that have occurred under this Agreement.~~

~~ARTICLE 5 – BILLING AND PAYMENT~~

~~5.1 — Purpose of Billing~~

~~For the purpose~~4.2 Term

~~During the term of this Agreement, and for a period of five (5) years after the expiration or termination of this Agreement, any billings that occur shall address either except as otherwise provided in this Article 4, each Party shall hold in confidence, and shall not disclose to any person, Confidential Information provided to it by the other Party.~~

~~4.3~~ Scope

~~Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than as a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the~~

receiving Party, after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (vi) is required, in accordance with Section 4.8 or 4.11 of this Agreement, to be disclosed to any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information shall no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

4.4 Release of Confidential Information

Subject to Sections 4.8, 4.11 and 4.12, no Party shall disclose Confidential Information to any other person, except to its Representatives (limited by the FERC's Standards of Conduct requirements), without the prior written consent of the disclosing Party. A receiving Party may disclose Confidential Information to its Representatives provided that such Representative has first been advised of the confidentiality provisions of this Article 4. Notwithstanding the foregoing, a Party providing Confidential Information to a Representative shall remain primarily responsible for any release of Confidential Information by such Representative in contravention of this Article 4.

4.5 Rights

Each Party retains all rights, title, and interest in the Confidential Information that it discloses to any other Party. A Party's disclosure to the other Party of Confidential Information shall not be deemed a waiver by such Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

4.6 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness.

4.7 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as such Party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Confidential information may be used solely to fulfill a Party's obligations to the other Party under this Agreement or to comply with Applicable Laws and Regulations.

4.8 Order of Disclosure

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the Party that provided the information with prompt prior notice of such request(s) or requirement(s) so that the providing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or agreement, or waiver, the Party that is subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party shall use

reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

4.9 Return or Destruction of Confidential Information

Each Party shall, within ten (10) calendar days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase, or delete (with such destruction, erasure and deletion certified in writing to the requesting Party) or to return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting Party. Notwithstanding the foregoing, a Party shall not be required to purge any historical backup media.

4.10 Remedies

The Parties agree that monetary damages may be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 4. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 4, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed to be an exclusive remedy for the Breach of this Article 4, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. The provisions of Section 12.3(b) are also applicable here.

4.11 Disclosure to FERC or its Staff

Notwithstanding anything in this Article 4 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, the such Party, shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.122, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. To the extent permitted by law, each Party shall notify the other Party prior to the release of the other Party's Confidential Information to the Commission or its staff. A Party shall notify the other Party when it is notified by FERC or its staff that a request to release the other Party's Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

4.12 General Disclosure

Notwithstanding any other provisions of this Article 4, a Party may disclose the Confidential Information provided by the other Party to the extent disclosure is: (i) reasonably deemed by the disclosing Party to be required in connection with a dispute between the Parties, or the defense of litigation or dispute; (ii) otherwise permitted by written consent of the Party that provided such Confidential Information; or (iii) necessary to fulfill its obligations to an RTO or ISO or to a regional or national reliability organization. Prior to any disclosures of another Party's Confidential Information under

this Section 4.12, the disclosing Party shall promptly notify the other Party in writing and shall assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 5 INVOICING AND PAYMENT; TAXES

5.1 Purpose of Invoicing

Any invoice that is issued pursuant to this Agreement shall be for: (a) the establishment of any new Interconnection Point; (b) the modification of any existing Interconnection Points between the Parties. As per Article 6.1 (b), the Operating Committee shall establish the terms and conditions by which payment for these facilities are handled. an existing Interconnection Point; or (c) other purposes as may be set forth in this Agreement.

5.2- Timeliness of Payment

Unless otherwise agreed upon, all invoices, if any, ~~under~~issued pursuant to this Agreement shall be rendered as soon as practicable in the month following the calendar month in which ~~the~~expenses were incurred and shall be due and payable, unless otherwise agreed upon, ~~when rendered and payment~~within thirty (30) days of receipt of such bills/invoice. Payment shall be made by electronic transfer or such other means as shall cause such payment to be available for the use of the payee ~~on or before the 20th day of the month in which the bill is rendered or five (5) days after receipt of the bill, whichever is later.~~ Interest on unpaid amounts shall accrue daily at the then current prime interest rate (the base corporate loan interest rate) published in the Wall Street Journal, or, if no longer so published, in any mutually agreeable publication, plus two percent (2%) per annum, but will in no event exceed the maximum interest rate allowed pursuant to the law of the state where the Interconnection Point associated with such invoice is or is expected to be located, and shall be payable from the due date of such unpaid amount and until the date paid.

5.3- Disputed Bills-Invoices

~~In the case of a disputed bill, all bills shall be paid in full under the conditions specified in subsection 5.2 above. Disputes will then be brought before the Operating Committee for resolution per Article 6. If this method fails, disputes will then be finally resolved through arbitration without further recourse.~~

5.4 — BillingIn the event that a Party disputes an invoice, the Party shall pay the invoice in full in accordance with Section 5.2 of this Agreement subject to the refund of any amounts found to have been incorrectly invoiced plus interest on such amount at the rate stated in Section 5.2 from the date of payment until the date of the refund. In the event of a billing dispute, the disputing Party shall provide notice of the dispute to the billing Party as set out in Section 12.4. In response to the notice, the billing Party will promptly

provide all documentation that is reasonably required in support of its bill and confer with the disputing Party. If these good faith efforts fail to resolve the issue, the matter may be addressed through the dispute resolution procedures of Article 7.

5.4 Invoice Adjustments

Other than as required by law, regulatory action or metering test adjustments, ~~bill~~invoice adjustments shall be made within six (6) months of the rendition of the initial ~~bill~~invoice.

~~5.5-.5~~ Tax Reimbursement

~~It is expressly agreed by the Parties that~~If, as part of ~~the~~any compensation to be paid under this Agreement, ~~if any, during the term hereof there should be levied and/or assessed against either Party~~any direct tax, including, but not limited to sales, excise, ~~commercial activity~~or similar taxes (other than taxes based on or measured by net income~~);~~) is levied and/or assessed against either Party by any taxing authority on the power and/or energy manufactured, generated, produced, converted, sold, purchased, transmitted, interchanged, exchanged, exported or imported by the supplying Party to the other Party, then except as provided in Section 5.6, such supplying Party shall be fully compensated prospectively by the other Party for such direct taxes.

~~5.6-~~ Contribution In-Aid of Construction

~~The Parties intend~~For payment amounts that ~~all costs paid by a Party to another Party, for the establishment, discontinuance or modification of an Interconnection Point, shall be non-taxable contributions to capital, and shall not be taxable~~are classified as contributions in-aid of construction (“CIAC”). ~~This presumption notwithstanding,~~), and in the event and to the extent such CIAC payment amounts (“CIAC Payment”) are classified as taxable income by the receiving Party or if the receiving Party is tax exempt, receipt of such CIAC Payment causes said Party to become taxable, such CIAC Payment shall be increased (or “grossed-up”) to fully cover the receiving Party’s net tax consequences arising from the CIAC Payment. If at the time of invoicing the receiving Party made a good faith determination that the CIAC Payment would not be classified as taxable income but federal or state income taxes are subsequently imposed upon the receiving Party with respect to such payments paid by the other Party as a CIAC by the Internal Revenue Service (“IRS”) and/or a state department of revenue (“State”), the Party paying the CIAC”) arising from the receipt of such CIAC Payment, the Party that originally made the CIAC Payment shall reimburse the other~~receiving~~ Party for the full tax effect of such CIAC Payment computed in accordance with FERC rules and including any interest and penalty charged to the Party by the IRS and/or State.

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ARTICLE 6 — OPERATING COMMITTEE

6.1 — Operating Committee

~~An Operating Committee shall administer the interconnected operation of the Parties' systems as provided for in this Agreement. AEP and the FirstEnergy Companies shall each appoint one member and one alternate to the Operating Committee and designate, in writing, said appointments to the other Party. Such representatives and alternates shall be persons familiar with the transmission and substation facilities of the Parties they represent and shall be fully authorized to perform the principal duties listed below.~~

~~6.2 — Duties of the Operating Committee~~

~~The principal duties of the Operating Committee shall be as follows:~~

- ~~a. — to establish operating and control procedures;~~
- ~~b. — to establish accounting and billing procedures;~~
- ~~c. — to coordinate maintenance schedules to an extent agreed by the Parties;
and~~
- ~~d. — to perform those duties, which this Agreement requires to be done by the Operating Committee, and such other duties as may be required for the proper functioning of this Agreement.~~

~~6.3 — Limitations on Operating Committee Duties~~

~~The Operating Committee shall not amend or modify any of the terms or conditions of this Agreement.~~

~~6.4 — Operating Committee~~

~~If the Operating Committee is unable to agree on any matter coming under its jurisdiction, that matter shall be submitted for settlement under the arbitration procedures specified in Article 8 of this Agreement.~~

~~ARTICLE 7 — INDEMNITY AND INSURANCE~~

~~76.1- Indemnity~~

~~To the extent permitted by law, each Party (the "Indemnifying Party") shall indemnify, save harmless, and defend ~~each~~the other Party from and against any losses, liabilities, costs, expenses, suits, actions, claims, and all other obligations arising out of injuries or death to persons or damage to property ~~caused by~~to the extent arising out of, in connection with, or ~~in any way attributable to the ownership or operation of~~resulting from ~~(i) the facilities~~(i) the facilities of the ~~owning~~Indemnifying Party ~~or any of its Contractors in performance of its obligations under this Agreement, or (ii) the negligence or intentional misconduct of the Indemnifying Party or its Contractors,~~ except that ~~the indemnifying a~~~~

Party's obligation to indemnify the ~~another~~ other Party shall not apply to the extent of any liabilities arising from ~~such~~ the other Party's negligence, gross negligence or intentional misconduct or that portion of any liabilities that arise out of the other Party's contributory negligence, gross negligence or intentional acts or omissions. ~~Further, to the extent that a Party's immunity as a complying employer, under the worker's compensation and occupational disease laws, might serve to bar or affect recovery under or enforcement of the indemnification otherwise granted herein, each Party agrees to waive its immunity. For the purposes of this Section 7.1 only, the term "Party" shall include the directors, officers, employees, affiliates and agents of a Party eligible for indemnification under this Section 7.1.~~

Promptly after receipt by a Party entitled to indemnity ("Indemnified Party") of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the Indemnity provided for in this Section 6.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect an Indemnifying Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall, at the Indemnified Party's option and at the Indemnifying Party's expense, defend the Indemnified Party against any and all suits, actions, or claims arising out of, connected with, or resulting from (i) the failure of the Indemnifying Party or any of its Contractors in performance of its obligations under this Agreement, or (ii) the negligence or intentional misconduct of the indemnifying Party or its Contractors provided that the Indemnifying Party shall not settle or make a plea with respect to any proceeding without the Indemnified Party's prior written consent.

A Party's obligations to another Party under this Section 6.1 shall not be limited in any way by any provision of any workers' compensation, disability benefits, payroll or other employee benefits laws; provided, however, that nothing herein shall limit or restrict any defense a Party may be entitled to assert with respect to a Third Party Claim, including a defense based on the status of such Party as a statutory employer. EACH PARTY HEREBY SPECIFICALLY AND EXPRESSLY WAIVES ANY AND ALL DEFENSES IT MAY HAVE TO AN INDEMNIFICATION OBLIGATION TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT BASED ON ANY IMMUNITY TO WHICH SUCH PARTY MAY BE ENTITLED UNDER ANY WORKERS' COMPENSATION, DISABILITY BENEFITS, PAYROLL OR EMPLOYEE BENEFITS LAWS.

For the purposes of this Section 6.1 only, the term "Party" shall include the Party's Affiliates and the directors, officers, employees, and agents of the Party and its Affiliates.

6.2 Insurance

6.2.1 Maintaining Insurance

Each Party shall maintain insurance as described in paragraphs A through E below. All insurance shall be procured from insurance companies rated "A-," VII or better by AM Best and approved to do business in a state or states in which the Interconnection Point(s) is located. Failure to maintain required insurance shall be a Breach of this Agreement.

- A. Workers' Compensation insurance with statutory limits, as required by the state and/or jurisdiction in which Interconnection Construction is to be performed, and employer's liability insurance with limits of not less than one million dollars (\$1,000,000.00).
- B. Commercial General Liability Insurance and/or Excess Liability Insurance covering liability arising out of premises, operations, personal injury, advertising, products and completed operations coverage, independent contractors coverage, liability assumed under an insured contract, coverage for pollution to the extent normally available and punitive damages to the extent allowable under applicable law, with limits of not less than one million dollars (\$1,000,000) per occurrence/one million dollars (\$1,000,000) general aggregate/one million dollars (\$1,000,000) products and completed operations aggregate.
- C. Business/Commercial Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000) each accident combined single limit for bodily injury, including death, and property damage.
- D. Excess and/or Umbrella Liability Insurance with a limit of liability of not less than twenty million dollars (\$20,000,000.00) per occurrence. This limit applies in excess of the employer's liability, commercial general liability and business/commercial automobile liability coverages described above. This requirement can be met alone or via a combination of primary, excess and/or umbrella insurance.
- E. Professional Liability Insurance providing errors, omissions and/or malpractice coverage in the amount of one million dollars (\$1,000,000) per occurrence/aggregate. Coverage shall be provided for the Parties' representatives that are responsible for design work associated with Interconnection Construction. A Party may meet the Professional Liability Insurance requirements by requiring Contractors, designers, or engineers, or other parties that are responsible for Interconnection Construction to procure professional liability insurance in the amounts and upon the terms prescribed by this Section 6.2.1, and providing evidence of such insurance to the other Party. Nothing in this section relieves the Party from complying with the insurance requirements.

6.2.2 Additional Insureds

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by a Party shall include the other Party, and its respective officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the insured Party for bodily injury and/or property damage (including loss of use) arising out of the insured Party's operations, performance, or lack of performance under this Agreement.

6.2.3 Other Required Terms

The above-mentioned insurance policies of a Party (except workers' compensation, excess/umbrella and professional liability) shall provide the following:

a. Each policy shall contain provisions that specify that it is primary and non-contributory for any liability arising out of the insured Party's liability, and shall apply to such extent without consideration for other policies separately carried by the other Party and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. In addition, the following shall apply to all Parties' insurance policies, to the extent allowable by law.

- i. If any coverage is written on a claims first made basis, continuous coverage shall be maintained or an extended discovery period will be exercised for a period of not less than two (2) years after termination of this Agreement.
- ii. The insurance (including workers' compensation) shall include a waiver of all rights of subrogation which a Party's insurance carrier might exercise against the other Party.
- iii. Each Party shall be responsible for its respective deductibles or retentions.

6.2.4 No Limitation of Liability

The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by each respective Party under this Agreement.

6.2.5 Self-Insurance

Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Section 6.2 to the extent it maintains a self-insurance program, provided that such Party's or its parent company's senior secured debt is rated at investment grade or better by Standard & Poor's and its self-insurance program meets the minimum insurance requirements of this Section 6.2. For any period of time that a Party's or its parent company's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under this Section 6.2. In the event that a Party is permitted to self-insure pursuant to this section, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with this Agreement.

6.2.6 Notices; Certificates of Insurance

Each Party shall endeavor to provide the other Party with thirty days prior written notice of cancellation to any of the insurance required under this Agreement provided, however,

that no notice shall be required if a canceled policy is replaced with an equivalent policy without any lapse in coverage. Each Party shall provide the other with certificates of insurance prior to commencement of Interconnection Construction related to an Interconnection Point and thereafter at such time intervals as they shall mutually agree upon, provided that such interval shall not be less than one year. The insured Party's certificates of insurance shall indicate that the certificate holder is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverage, and that this insurance is primary and non-contributory. Each Party's certificates of insurance shall evidence that a waiver of subrogation is included in the required insurance policies in favor of the other Party.

6.2.7 Contractor Insurance

In accordance with Good Utility Practice, each Party shall require each of its Contractors to maintain and provide evidence of insurance coverage of types, and in amounts, commensurate with the risks associated with the services provided by the Contractor. Bonding of Contractors shall be at the hiring Party's discretion, but regardless of bonding, the hiring principal shall be responsible for the performance or non-performance of any Contractor it hires.

6.2.8 Reporting Incidents

The

ARTICLE 8 — ARBITRATION

8.1 — Submission to Arbitration

~~In the event of disagreement between the Parties with respect to (1) any matter herein specifically made subject to arbitration, (2) any question of operating practice involved in performance of this Agreement, (3) any question of fact involved in the application of provisions of this Agreement, or (4) the interpretation of any provision of this Agreement, the matter involved in the disagreement shall, upon demand of either Party, be submitted to arbitration in the manner hereinafter provided. An offer of such submission to arbitration shall be a condition precedent to any right to institute proceedings at law or in equity concerning such matter.~~

8.2 — Appointment of Arbitrators

Parties shall report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE 7 DISPUTES

7.1 Mediation

Any controversy or claim arising out of or relating to this Agreement or Breach thereof that cannot be resolved after a period of thirty (30) days of negotiation may, by mutual agreement of the Parties, be settled by mediation in accordance with this Agreement. During the mediation process, the Parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by the mutual agreement of the Parties as soon as practical after the Parties agree to commence the mediation process.

7.2 Confidentiality of Mediation

The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either Party in any later proceedings relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

7.3 Termination of Mediation

If a dispute has not been resolved within forty-five (45) days after the commencement of the non-binding mediation process (or a longer period if the Parties agreed to extend the non-binding mediation), the mediation shall terminate.

7.4 Rights and Remedies

If any dispute is not settled by mediation, then any Party may pursue any and all rights and remedies available to it under this Agreement, or in law or equity. Notwithstanding the mediation hereunder, the Parties have the right to proceed directly to court to seek relief in law or in equity. The submission of a dispute to mediation shall not limit or in any way affect the applicable Party's right to effect remedies or limit such Party's rights under this Agreement or otherwise.

ARTICLE 8 TERM AND TERMINATION OF AGREEMENT

8.1 Term

This Agreement shall be effective as of the Execution Date, or such later date as the last necessary regulatory approval hereof shall be obtained (unless an earlier date is specified by the regulatory authority having jurisdiction), and shall remain in effect until it is terminated in accordance with Section 8.2.

8.2 Termination

This Agreement may be terminated by the following means:

8.2.1 By Mutual Consent

This Agreement may be terminated as of the date on which the Parties mutually agree to terminate this Agreement.

8.2.2 By Either Party

Either Party may terminate this Agreement by providing to the other Party and to PJM thirty-six (36) months' advance written notice of its intent to terminate this Agreement, in which case this Agreement shall terminate at the end of such thirty-six (36) month notice period.

8.2.3 Upon Default

Either Party may terminate this Agreement upon the Default of the other Party by providing the defaulting Party and PJM thirty (30) days prior written notice of termination.

ARTICLE 9 BREACH AND DEFAULT

9.1 Breach and Default

A Party shall be considered in default of this Agreement (“Default”) if it fails to cure a Breach in accordance with the terms of this Section 9.1. A breach (“Breach”) shall mean the failure of a Party to perform or observe any material term or condition of this Agreement; provided that no Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. The breaching Party shall have thirty (30) calendar days from receipt of the Breach notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) calendar days, the breaching Party shall commence such cure within thirty (30) calendar days after notice and continuously and diligently complete such cure within ninety (90) calendar days from receipt of the Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

9.2 Renegotiable Events

If one of the following conditions occurs, the Parties shall negotiate in good faith to amend this Agreement or to take other appropriate action so as to protect each Party’s interest in this Agreement. This Agreement shall serve as the document upon which such negotiations shall be based and the Parties shall make as minimal modifications as necessary to effectuate the original intent and purpose of this Agreement. If the Parties are unable to reach agreement, either Party shall have the right to unilaterally file with the FERC, pursuant to Section 205 or Section 206 of the Federal Power Act as appropriate, proposed amendments to this Agreement that the Party deems reasonably necessary to protect its interests:

- a. any change to Applicable Laws and Regulations having a material impact upon the effectiveness or enforceability of any provision of this Agreement;
- b. this Agreement is not approved or accepted for filing by the FERC without modification or condition;
- c. PJM or NERC prevents, in whole or in part, either Party from performing any provisions of this Agreement in accordance with its terms;
- d. either Party withdraws as a member of PJM;
- e. PJM Requirements are modified in a manner that materially affects either Party's ability to perform its obligations under this Agreement; or
- f. PJM, either voluntarily or involuntarily, is dissolved.

ARTICLE 10 REGULATORY AUTHORITIES

10.1 Regulatory Authorities

This Agreement is made subject to the jurisdiction of the FERC and any Governmental Authority having jurisdiction over the rates, terms conditions or services provided under this Agreement.

10.2 Adverse Regulatory Change

The Parties agree to jointly submit and support the filing of this Agreement with the FERC, if such filing is required by the Federal Power Act. Any changes or conditions imposed by the FERC in connection with such submission or otherwise in respect of this Agreement, any of which are unacceptable to a Party after the Parties' good faith attempt to negotiate a resolution to such objectionable change or condition in accordance with Section 9.2 shall be cause for termination of this Agreement upon thirty (30) days' prior written notice by the non-consenting Party to the other Party.

10.3 Amendments to the Agreement

10.3.1 Amendments

This Agreement may only be modified in a writing signed by both Parties and PJM. In the event that the Parties agree to amend this Agreement, the Parties shall, if required by Applicable Laws and Regulations, file any such amendment or modification with the FERC.

10.3.2 Section 205 and 206 Rights

Nothing contained in this Agreement shall preclude either Party from exercising its rights under Section 205 and 206 of the Federal Power Act to file for a change in any rate, term, condition or service provided under this Agreement.

ARTICLE 11 MODIFICATIONS OF FACILITIES

11.1 Generally.

Each Party may make such Modifications to its facilities as it deems necessary in its sole judgment based on Good Utility Practice, subject to the requirements of Section 11.2,

below. Modifications shall be subject to any applicable approval process set forth in the PJM Tariff.

11.2 Notice.

In the event a Party plans to undertake Modifications to its facilities or transmission system that reasonably may be expected to impact the other Party's transmission system, the initiating Party shall provide the other Party and PJM with at least ninety (90) days' advance notice of the desired Modifications. The nature of, and the schedule of work for, performing such Modifications shall be subject to review and acceptance by the other Party and PJM, which review and acceptance shall not be untimely nor unreasonably withheld or delayed, to ensure that such Modifications will (i) not adversely affect a Party's transmission system, or other facilities, and (ii) are consistent with Good Utility Practice. Subject to all applicable requirements imposed by Applicable Law, PJM, and NERC, the suitability and the responsibility for the safe and adequate design, construction, operation and maintenance of the initiating Party's modifications shall be and remain the sole obligation of the initiating party. If the other Party does not respond within one hundred twenty (120) days after receipt of the notice, then the other Party will be deemed to have accepted the proposed Modifications.

11.3 Cost Responsibility.

When the actions of a Party necessitate modifications to the other Party's facilities that are not required by Applicable Law, PJM, FERC, NERC, or other Governmental authority, such Modifications to the other Party's facilities shall be made at the sole cost and expense of the Party whose actions necessitated the modifications requiring the changes, unless otherwise agreed to in writing the Parties, provided such Party's responsibility for such modification cost is limited to those costs that are incremental to costs already planned to be incurred by the other Party for such Modifications.

11.4 Information.

Subject to any applicable confidentiality agreements, each Party agrees that it will furnish to the other Party such information concerning its system as may be reasonably requested by the other Party as reasonably necessary to construct, operate, maintain, and implement Modifications to the other Party's facilities. No review of such information will constitute an acceptance or approval of the Modifications by the reviewing Party.

~~The Party calling for arbitration shall serve notice in writing upon the other Party, setting forth in detail the subject or subjects to be arbitrated, and the Parties thereupon shall endeavor to agree upon and appoint one person to act as sole arbitrator. If the Parties fail so to agree within a period of fifteen (15) days from the receipt of the original notice, the Party calling for the arbitration shall, by written notice to the other Party, call for appointment of a board of arbitrators skilled with respect to matters of the character involved in the disagreement, naming one arbitrator in such notice. The other Party shall, within ten (10) days after the receipt of such call, appoint a second arbitrator, and the two so appointed shall choose and appoint a third. In case such other Party fails to appoint an arbitrator within said ten days, or in case the two so appointed fail for ten (10) days to agree upon and appoint a third, the Party calling for the arbitration, upon five (5) days' written notice delivered to the other Party, shall apply to the person who at the time shall be the~~

~~most senior Judge of the United States District Court having jurisdiction at Charleston, West Virginia for appointment of the second or third arbitrator, as the case may be.~~

~~8.3 — Arbitration~~

~~The sole arbitrator, or the board of arbitrators, shall afford adequate opportunity to the Parties to present information with respect to the question or questions submitted for arbitration and may request further information from either or both Parties. The findings and award of the sole arbitrator or of a majority of the board of arbitrators shall be final and conclusive with respect to the question or questions submitted for arbitration and shall be binding upon the Parties, provided, that such findings and award shall not in any way vary the expressed terms of this Agreement or in any way extend the expressed scope and intent hereof. Each Party shall pay for the services and expenses of the arbitrator appointed on their behalf. If there is a board of arbitrators, all costs incurred in connection with the arbitration shall be paid in equal parts by the Parties hereto, unless the award shall specify a different division of the costs.~~

~~ARTICLE 9 — TERM AND TERMINATION OF AGREEMENT~~

~~9.1 — Term and Termination~~

~~This Agreement shall be effective as of the date on which CSP acquires Mon Power's transmission facilities as authorized by FERC in Docket No. EC05-123-000, or such later date as FERC may authorize, and shall remain in effect for a term of ten (10) years thereafter. Following the initial ten (10) year term, this Agreement shall remain in place from year to year unless terminated by either Party upon not less than one (1) year's prior written notice.~~

~~ARTICLE 10 — REGULATORY AUTHORITIES~~

~~10.1 — Regulatory Authorities~~

~~This Agreement is made subject to the jurisdiction of any governmental authority or authorities having jurisdiction over this Agreement. Nothing contained in this Agreement shall be construed as affecting in any way, the right of a Party to unilaterally make application to FERC for a modification of this Agreement under Section 205 or Section 206 of the Federal Power Act and the rules and regulations promulgated thereunder.~~

~~ARTICLE 11 — EFFECT ON PRIOR AGREEMENTS~~

~~11.1 — Effect on Prior Agreements~~

~~Upon the effective date of this Agreement pursuant to Article 9 of this Agreement, the Facilities Agreement, including all modifications or addenda thereto, shall be deemed terminated. Upon the effective date of this Agreement pursuant to Article 9 of this Agreement, the provisions of the Operating Agreement, including all modifications or addenda thereto, that pertain to the interconnection and operation in parallel of the transmission facilities of OPCo, APCo, WPCo, West Penn and Mon Power shall be superseded by this Agreement and shall be of no further force or effect.~~

ARTICLE 12 – GENERAL

12.1- Force Majeure

No Party shall be in default in respect to any obligation hereunder because of Force Majeure. ~~Force Majeure shall mean any event that creates an inability to fulfill an obligation under this Agreement that could not be prevented or overcome by the due diligence of the Party claiming Force Majeure. Such events include, but are not defined by or limited to, acts of God, strikes, lockouts, labor disputes, acts of a public enemy, acts of sabotage, acts of terrorism, wars, blockades, insurrections, riots, epidemics, landslides, earthquakes, fires, hurricanes, storms, tornadoes, floods, washouts, civil disturbances, explosions, accidents, or the binding order of any court, legislative body, or governmental authority which has been resisted in good faith by all reasonable legal means. Failure to prevent or settle any strike or strikes shall not be considered to be a matter within the control of the Party claiming suspension.~~ A Party unable to fulfill any obligation by reason of ~~any causes beyond its control~~ Force Majeure shall use ~~diligence~~ Due Diligence to remove such disability with appropriate dispatch. ~~Each~~ A Party ~~unable to fulfill any obligation by reason of Force Majeure~~ shall: ~~(ia)~~ provide prompt written notice of such Force Majeure event to the other Party which notice shall include an ~~of~~ estimate of the expected duration of such event; and, ~~(ib)~~ attempt to exercise all reasonable efforts to continue to perform its obligations under this Agreement. The failure of a Party to perform its obligations under this Agreement as a result of Force Majeure shall only be excused for the duration of the Force Majeure and while such Party exercises Due Diligence to remove such disability. As soon as the non-performing Party is able to resume performance of its obligations, such Party shall resume performance and give prompt notice thereof to the other Party.

12.2- Waivers

~~Any waiver at~~ No failure or delay on the part of either Party in exercising any time by either Party of its rights with respect to default under this Agreement, or with respect to any other matter arising in connection with this Agreement, no partial exercise by either Party of any of its rights under this Agreement, and no course of dealing between the Parties shall constitute a waiver of the rights of either Party under this Agreement. Any waiver shall be effective only by a written instrument signed by the Party granting such waiver, and such shall not be deemed operate as a waiver of, or continuing waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of

~~limitation, in asserting or enforcing any right under this Agreement, shall not be deemed a waiver of such right. failure to comply therewith.~~

12.3- Liability

~~No Party shall be liable for the failure of any other Party to perform its obligations hereunder. a. Except to the extent of the other Party's negligence or intentional misconduct or Breach of this Agreement, each Party shall be responsible for all physical damage to or destruction of the property, equipment and/or facilities owned by it and its Affiliates, regardless of who brings the claim and regardless of who caused the damage, and shall not seek recovery or reimbursement from the other Party for such damage.~~

~~b. To the fullest extent permitted by law and notwithstanding Section 6.1 or any other provision of this Agreement, in no event shall a Party, its Affiliates, or any of their respective owners, officers, directors, employees, agents, successors or assigns be liable to the other Party, its Affiliates or any of their respective owners, officers, directors, employees, agents, successors or assigns, whether in contract, warranty, tort, negligence, strict liability, or otherwise, for any special, indirect, incidental, exemplary, consequential (including, without limitation, attorneys' fees, litigation costs, replacement power costs, lost profits or revenues, loss of good will or lost business opportunities) or punitive damages related to or resulting from performance or nonperformance of this Agreement or any activity associated with or arising out of this Agreement.~~

~~(a) c. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of PJM, and the Parties expressly waive any claims that may arise against PJM under this Agreement.~~

~~(b) d. The Parties acknowledge and understand that the signature of the authorized officer of PJM on this Agreement is for the limited purpose of acknowledging that representatives of PJM have read the terms of this Agreement. The Parties and PJM further state that they understand that FERC desires that the Parties keep PJM fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the PJM officer shall not in any way be deemed to imply that PJM is taking responsibility for the actions of any Party, that PJM has any affirmative duties under this Agreement or that PJM is liable in any way under this Agreement.~~

~~12.4 —~~ Written Notices

~~Notices and communication made pursuant to this Agreement shall be deemed to be properly given if delivered in writing, postage paid to the following:~~

~~If to FirstEnergy Companies: Vice President, Transmission~~

- ~~e. The obligations and liabilities of the entities comprising the AEP Entities under this Agreement are several but not joint.~~
- ~~f. The obligations and liabilities of the entities comprising the FirstEnergy Entities under this Agreement are several but not joint.~~

12.4 Written Notices

Any notice this is required or permitted under this Agreement may be given by personal delivery, by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. certified or registered mail, return receipt requested, addressed to PJM or the Party entitled thereto, at:

~~_____ FirstEnergy Corp.
_____ 76 South Main Street
_____ Akron, OH 44308-1890~~

~~_____ and~~

~~_____ Associate General Counsel, Federal Regulatory
_____ FirstEnergy Corp.
_____ 76 South Main Street
_____ Akron, OH 44308-1890~~

~~If to AEP: Vice President, Transmission Operations _____~~

If to OPCo, APCo,
Or WPCo:

American Electric Power
Attn: Wade Smith
8500 Smith's Mill Rd
New Albany, OH 43054
e-mail: wsmith@aep.com
and
American Electric Power
Attn: John W. Seidensticker, Associate General
Counsel
1 Riverside Plaza
Columbus, OH 43215
e-mail: jwseidensticker@aep.com
and

American Electric Power
Attn: Robert L. Pennybaker, Director System
Interconnections
212 E 6th St
Tulsa, OK 74119
e-mail: rlpennybaker@aep.com

~~1 Riverside Plaza~~

~~-If to TrAILCo West Penn or
Mon Power:~~

~~Columbus~~FirstEnergy Service Company
Attn: Manager, FERC & Wholesale Connection
Support
76 South Main St.
Akron, OH 43215-44308
email: mthorn@firstenergycorp.com

~~and~~

~~FirstEnergy Service Company~~
Attn: Attorney for FERC & Wholesale Connection
Support
Legal Department
76 South Main St.
Akron, OH 44308
email: pnrao@firstenergycorp.com

~~and~~

~~Managing Director, RTO Policy & NERC
Compliance & Issues Management~~

~~American Electric Power~~

~~1 Riverside Plaza~~

~~Columbus, OH 43215~~

~~If to PJM:~~

~~Vice President Government Policy~~

~~PJM Interconnection, L.L.C~~

~~1200 G Street, NW, Suite 600~~

~~Washington DC 20005~~

~~and~~

General Counsel

PJM Interconnection, L.L.C

955 Jefferson Avenue

Norristown, PA 19403-2497

If to PJM:

Vice President-Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington D.C. 20005

and

General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

The above listed titles; and addresses ~~and~~ for a Party or PJM may be changed by written notice to all the other Parties and PJM. Such change shall not necessitate a filing under Section 205 of the Federal Power Act. Any such notice or communication will be deemed to have been given as of the date received.

12.5— Non-Standard Terms and Conditions Applicable to Interconnection Point(s)

The Parties may establish non-standard terms and conditions applicable to any Interconnection Point and to certain shared facilities related to an Interconnection Point that are specified in this Agreement ~~Validity~~ (“Non-Standard Terms and Conditions”). The Non-Standard Terms and Conditions shall be set forth in Appendix III to this Agreement and shall be in addition to any other terms and conditions provided for in this Agreement. Any conflict between the Non-Standard Terms and Conditions and any other provisions of this Agreement shall be resolved in favor of the Non-Standard Terms and Conditions.

12.6 Governing Law

The validity and meaning of this Agreement shall be governed by ~~the laws of and~~ construed in accordance with federal law where applicable and, when not in conflict with or preempted by federal law, the applicable law of the state where the Interconnection Point(s) is located, without application of its conflicts of law provisions.

12.7 Defined Terms and Execution

All capitalized terms used in this Agreement shall have the meanings as specified in the body of this Agreement or Appendix IV, or as defined in the PJM Tariff. In the event of any conflict between defined terms set forth in the PJM Tariff or defined terms in this Agreement, such conflict shall be resolved in favor of the terms set forth in this Agreement. Any provisions of the PJM Tariff relating to this Agreement that uses any such defined term shall be construed using the definition given to such defined term in this Agreement. For the avoidance of doubt, the term “AEP” used in Appendix I shall mean OPCo, APCo, or WPCo as appropriate, and the term “FirstEnergy” used in Appendix I shall mean TrAILCo ~~West Virginia~~ Penn or Mon Power as appropriate.

12.8 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

12.9 Entire Agreement; Superseding Effect

This Agreement, including all exhibits, schedules, appendices and other attachments hereto, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof, including the Existing IA.

12.10 Joint Actions

- a. Any election, right, option, or other privilege of the AEP Entities as a Party under this Agreement will be exercised, if at all, only by joint action of all the AEP Entities. Any notice of such exercise given by any of the AEP Entities will constitute notice from all of the AEP Entities. Any Breach by any one of the member companies that comprise the AEP Entities shall be deemed a Breach by the designated Party to this Agreement, namely, the AEP Entities.
- b. Any election, right, option, or other privilege of the FirstEnergy Entities as a Party under this Agreement will be exercised, if at all, only by joint action of all of the FirstEnergy Entities. Any notice of such exercise given by any of the FirstEnergy Entities will constitute notice from all of the FirstEnergy Entities. Any Breach by any one of the member companies that comprise the FirstEnergy Entities shall be deemed a Breach by the designated Party to this Agreement, namely, the FirstEnergy Entities.
- c. For the avoidance of doubt, and for purposes of Article 6 (Indemnity and Insurance), a Party seeking indemnification (the “Indemnified Party”) may bring action against all of the entities comprising the Party from whom indemnification is sought (the “Indemnifying Party”) without violating Sections 12.3(e) and (f), as applicable; provided, however, that no such action against those entities shall change the allocation of liability under Sections 12.3(e) and (f).
- d. The effect or impact of an act or omission on a single entity comprising a Party shall be considered an effect or impact on that Party.

ARTICLE 13 – ASSIGNMENT

13.1- Assignment

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. Successors and assigns of PJM shall become signatories to this Agreement for the limited purpose described ~~herein applicable to PJM in Section 12.3(d)~~

of this Agreement. This Agreement shall not be assigned by any Party without the written consent of the other ~~Parties except~~ Party, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, a Party or any of the entities comprising a Party (an "Assignor") may assign this Agreement to a successor to which substantially all of the business and assets of such ~~Party~~ Assignor shall be transferred, or to an ~~a~~ Affiliate of the ~~assigning Party~~ Assignor for the purposes of a corporate restructuring, provided that in either case, the Assignor provides reasonable prior written notice to the other Party and the assignee assumes in writing all rights, duties, and obligations arising under this Agreement. In either such event identified in the preceding sentence, the Assignor shall be released from all further obligations and duties thereafter arising pursuant to the terms of the Agreement. An assignment of this Agreement shall be filed with the FERC for acceptance pursuant to Section 205 of the Federal Power Act.

ARTICLE 14 SURVIVAL

14.1 Survival

~~IN WITNESS WHEREOF, three (3) copies~~ of this Agreement, ~~each~~ shall not discharge either Party from any obligation it owes to the other Party under this Agreement by reason of any transaction, loss, cost, damage, expense or liability that shall occur (or the circumstances, events or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Agreement) shall survive the termination of this Agreement, and that either Party may enforce its rights against the other Party with respect to such obligations in an action at law or in equity to the fullest extent permitted by law.

This Agreement shall continue in effect after termination to the extent necessary for final billings and payments, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the real property, including but not limited to leased property and easements of the other Party to disconnect, remove or salvage its own facilities and equipment.

**~~[The remainder of this page is intentionally left blank.
The next page of this document is the signature page.]~~**

~~IN WITNESS WHEREOF, considered an original~~ this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, ~~this ___ dayas~~ of ~~May,~~ 2014 the Execution Date.

Service Agreement 1395

OHIO POWER COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

APPALACHIAN POWER COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

WHEELING POWER COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

IN WITNESS WHEREOF, this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, as of the Execution Date.

Service Agreement No. 1395

WEST PENN POWER COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

MONONGAHELA POWER COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: _____
(Signature)

Name: _____
(Print)

Title: _____

~~Service Agreement No. 1395 AMERICAN ELECTRIC POWER SERVICE CORPORATION, As agent for OHIO POWER COMPANY, COLUMBUS SOTHERN POWER COMPANY, APPALACHIAN POWER COMPAMY and WHEELING POWER COMPANY~~

By _____

Printed Name _____

Title _____

~~WEST PENN POWER COMPANY and MONONGAHELA POWER COMPANY~~

By _____

Printed Name _____

Title _____

Service Agreement No. 1395

The signature below of the authorized ~~representative officer~~ of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative ~~officer~~ of PJM has read this Agreement as of ~~the~~ day of ~~May, 2011~~ , 2017.

PJM INTERCONNECTION, L.L.C.

By _____

Printed Name _____

Title _____

PJM INTERCONNECTION, L.L.C.

By:

(Signature)

Name:

(Print)

Title:

APPENDIX I
INTERCONNECTION POINTS AND ONE-LINE DIAGRAMS

1.1 The respective transmission systems of the Parties shall be interconnected ~~through the transmission lines and substations~~ at the Interconnection ~~Points~~Point(s) described below:

1.1.1 The point hereby designated and hereinafter called “**Kanawha-Gilboa Interconnection Point**”. The point of interconnection is where the 138 kV single circuit transmission line extending from AEPCo’s Kanawha 138 kV Station is connected to Mon Power’s Gilboa 138 kV Station (see Figure 1).

1.1.2- ~~The~~ point hereby designated and hereinafter called “**Grassy Falls-McClung Interconnection Point**”. The point of interconnection is where the 138 kV single circuit transmission line extending from Mon Power’s Grassy Falls 138 kV Station is connected to AEPCo’s McClung 138 kV Station (see Figure 2).

1.1.3- ~~The~~ point hereby designated and hereinafter called “**502 Junction-Kammer Interconnection Point**”. This point of interconnection is where ~~AEP’s 765 kV System~~WPCo’s 500 kV single circuit transmission line extending from OPCo’s 500 kV Kammer Station is connected to ~~FirstEnergy’s WPP’s 500 kV System~~ through a 502 Junction Station (see Figure 3).

1.1.4 ~~The~~ point hereby designated and hereinafter called “**Kammer Station Interconnection Point #1**”. The Interconnection Point is located in the 765/500 kV Kammer Station where TrAILCo’s 765/500 kV transformer and disconnect switch connect to OPCo’s 765 KV bus. (see Figure 3). The Kammer Station Interconnection Point #1 and Point #2 shall be referred to as the “**Kammer Interconnection Points**” in Figure 3.

~~The~~ point hereby designated and hereinafter called “**Kammer Station Interconnection Point #2**”. The Interconnection Point is at the line side of the 500 kV disconnect switch which is owned by Trans-Allegheny Interstate Line Company (see Figure 3). TrAILCo, with WPCo owning the conductor from the 500 kV disconnect switch to the first structure outside of the Kammer 765 station and a portion of the conductors of the 500 kV 502 Junction-Kammer transmission line. (see Figure 3).

1.1.4-5 The point hereby designated and hereinafter called “**Belmont Interconnection Point**”. This point is where AEPCo’s 765 kV System is connected to ~~FirstEnergy’s~~Mon Power’s 500 kV System through a 765/500 kV transformer (see Figure 4).

1.1.5-6 The point hereby designated and hereinafter called “**Tidd-Wylie Ridge Interconnection Point**”. The point of interconnection is within ~~the~~WPCo’s 345

kV single circuit transmission line extending from AEOPCo's Tidd 345 kV Station to Mon Power's Wylie Ridge 345 kV Station is connected (see Figure 5).

- 1.1.~~6~~7 The point hereby designated and hereinafter called "**Tidd-Carnegie Interconnection Point**". The point of interconnection is where ~~the~~WPCo's 138 kV single circuit transmission line extending from AEOPCo's Tidd 138 kV Station is connected to Mon Power's Carnegie 138 kV Station (see Figure 6).
- 1.1.~~7~~8 The point hereby designated and hereinafter called "**Tidd-Mahans Lane Interconnection Point**". The point of interconnection is where the 138 kV single circuit transmission line extending from AEOPCo's Tidd 138 kV Station is connected to Mon Power's Mahans Lane 138 kV Station (see Figure 7).
- 1.1.~~8~~9 The point hereby designated and hereinafter called "**West Bellaire-Windsor Interconnection Point**". This point is where AEOPCo's 138 kV single circuit transmission line extending from AEOPCo's West Bellaire 138 kV Station is connected to Mon Power's Windsor 138 kV Station (see Figure 8).
- 1.1.~~9~~10 The point hereby designated and hereinafter called "**South Toronto-Wylie Ridge Interconnection Point**". This point is where AEOPCo's 138 kV single circuit transmission line extending from AEOPCo's 138 kV South Toronto Station is connected to a point along Mon Power's Wylie Ridge-Weirton 138 kV Station (see Figure 9).
- 1.1.~~10~~11 The point hereby designated and hereinafter called "**East Liverpool-Wylie Ridge Interconnection Point**". This point is where AEWPCo's 138 kV single circuit transmission line extending from AEOPCo's 138 kV East Liverpool Station is connected to Mon Power's Wylie Ridge 138 kV Station (see Figure 10).
- 1.1.~~11~~12 The point hereby designated and hereinafter called "**Natrium-Paden City (Longreach) Interconnection Point**". This point is where AEWPCo's 138 kV single circuit transmission line extending from AEWPCo's 138 kV Natrium Station is connected to Mon Power's Paden City (Longreach) 138 kV Station (see Figure 11).
- 1.1.~~12~~13 The point hereby designated and hereinafter called "**St. Mary's-Mill Creek Interconnection Point**". This point is where the 23 kV single circuit line extending from Mon Power's St. Mary's 23 kV Station is connected to AEOPCo's Mill Creek 138-23 kV Station (see Figure 12).
- 1.1.~~13~~14 The point hereby designated and hereinafter called "**Mill Creek-Williamstown Interconnection Point**". This point is where AEOPCo's 23 kV single circuit line extending from AEOPCo's Mill Creek 138-23 kV Station is connected to Mon Power's 23 kV Williamstown Station (see Figure 13).

1.1.~~14~~15 The point hereby designated and hereinafter called “**Paden City-Sardis Interconnection Point**”. This point is where the 12 kV single circuit Primary line extending from Mon Power’s 138-12 kV Paden City Substation is connected to AEOPCo’s 12 kV Sardis Primary line (see Figure 14).

1.1.~~15~~16 The point hereby designated and hereinafter called “**Belleville-Reedsville Interconnection Point**”. This point is where the 12 kV single circuit primary line extending from Mon Power’s Belleville 23-12 kV Substation is connected to AEOPCo’s 12 kV Reedsville Primary line (see Figure 15).

1.1.~~16~~17 The point hereby designated and hereinafter called “**Willow Island-Mill Creek Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Willow Island Station is connected to AEOPCo’s Mill Creek 138-23 kV Station (see Figure 16 - Existing).

~~1.1.17~~

The “**Willow Island-Mill Creek Interconnection Point**” is scheduled to be superseded by the “**Belmont-Mill Creek Interconnection Point**” on or about June 1, 2017. At that time, the point of interconnection will be identified as the point where the 138 kV single circuit line extending from Mon Power’s 138 kV Belmont Station is connected to OPCo’s Mill Creek 138-23 kV Station (see Figure 16 - Future).

1.1.18 The point hereby designated and hereinafter called “**Oak Grove-Riverview Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Oak Grove Station is connected to AEOPCo’s Riverview 138 kV Station (see Figure 17).

1.1.~~18~~19 The point hereby designated and hereinafter called “**Parkersburg-Belpre Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Parkersburg Station is connected to AEOPCo’s Belpre 138 kV Station (see Figure 18).

1.1.~~19~~20 The point hereby designated and hereinafter called “**Washington-Corner Interconnection Point**”. This point is where the 138 kV single circuit line extending from Mon Power’s 138 kV Washington Station is connected to AEOPCo’s Corner 138 kV Station (see Figure 19).

1.1.21 The points hereby designated and hereinafter called “**Greenbrier 138 kV Interconnection Points #1 and #2**”. The points where APCo’s 138 kV single circuit transmission line from Fudge Hollow and APCo’s 138 kV single circuit transmission line from Hinton are connected to Mon Power’s 138 kV system within the Mon Power Greenbrier 138 kV Station. (Figure 20)

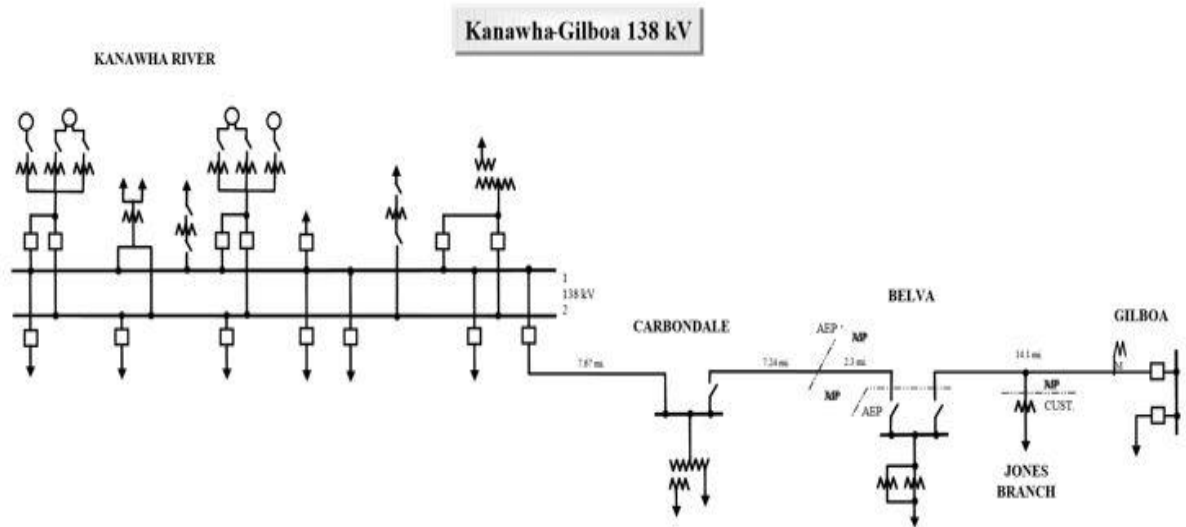
1.1.22 The point hereby designated and hereinafter called “**Hinton 138 kV Interconnection Point**”. This point is where APCo’s 138 kV System is

connected to Mon Power's 138 kV system within the Mon Power Hinton 138 kV Station. (Figure 21)

1.1.23 The point hereby designated and hereinafter called “**Ronceverte 138 kV Interconnection Point**”. This point is where APCo's 138 kV System is connected to Mon Power's 138 kV system located within the Mon Power Ronceverte 138 kV Station. (Figure 22)

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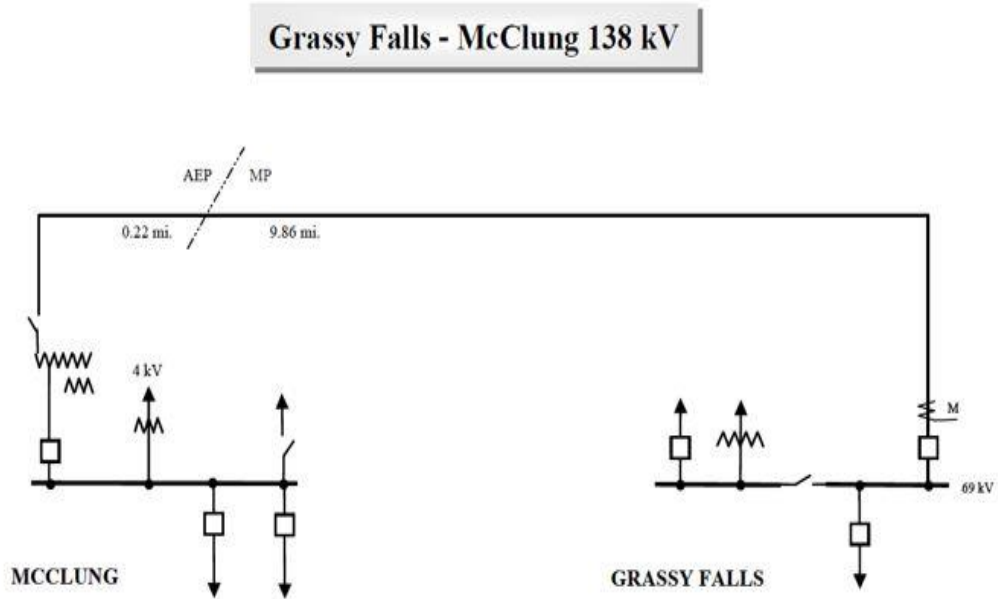
FIGURE 1



138 kV metering equipment installed at Mon Power's Gilboa 138 kV Station for the Kanawha-Gilboa Interconnection Point installed, owned, operated and maintained by Mon Power.

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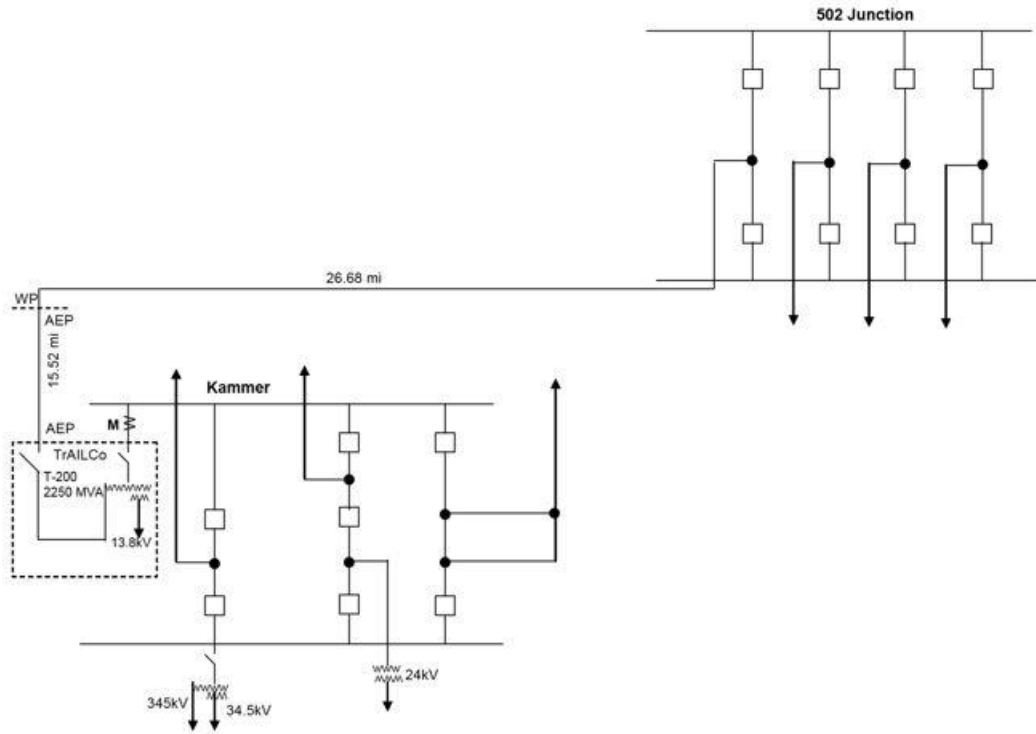
FIGURE 2



138 kV metering equipment installed at Mon Power's Grassy Falls 138 kV Station for the Grassy Falls McClung Interconnection Point installed, owned, operated and maintained by Mon Power.

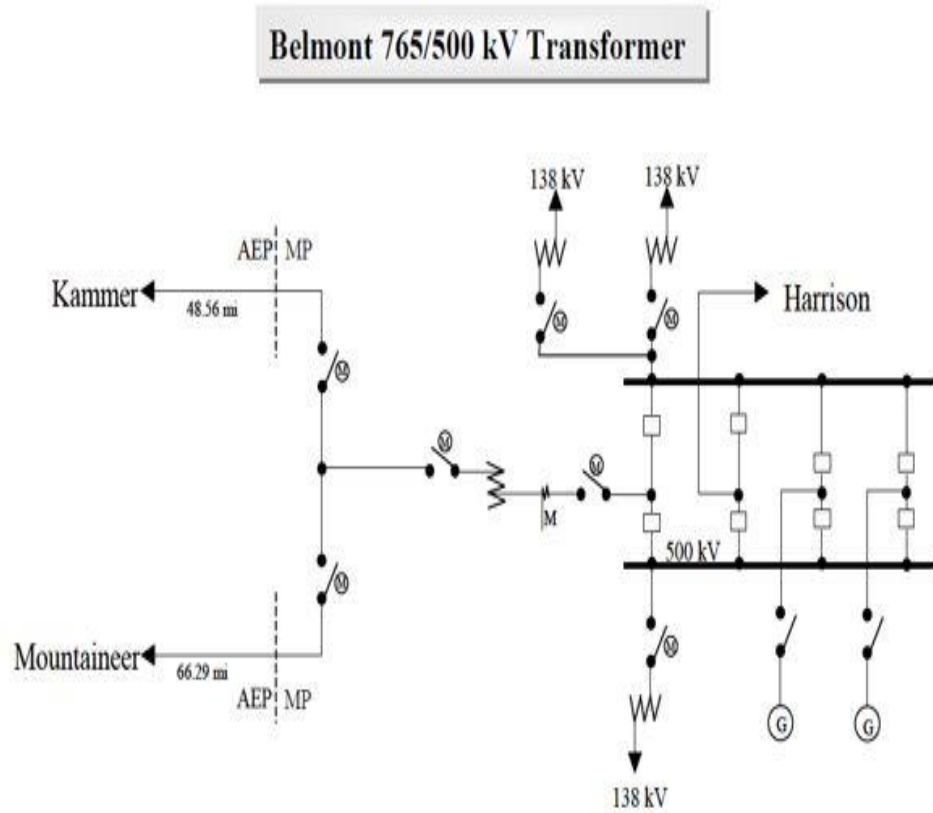
APPENDIX I

FIGURE 3



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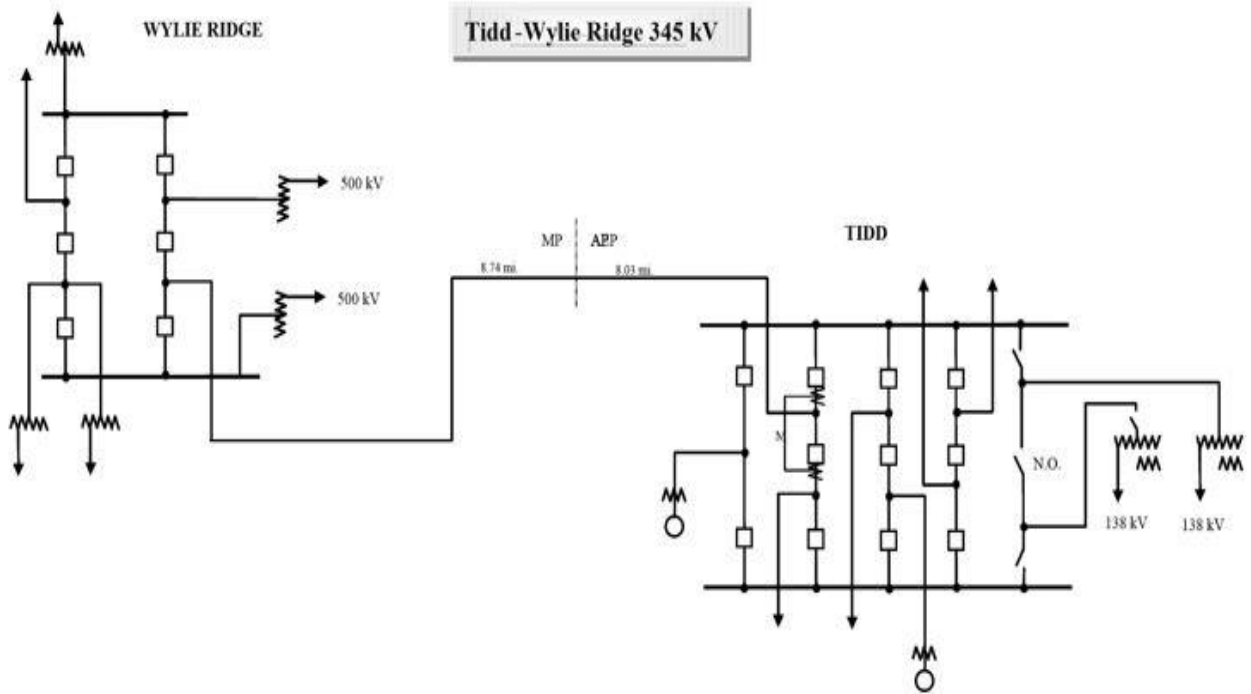
FIGURE 4



500 kV metering equipment installed at Mon Power's Belmont 500 kV Station for the Belmont Interconnection Point installed, owned operated and maintained by Mon Power. The 500 kV metering effectively meters the 765 kV side of the Belmont 765/500 kV transformer.

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FIGURE 5

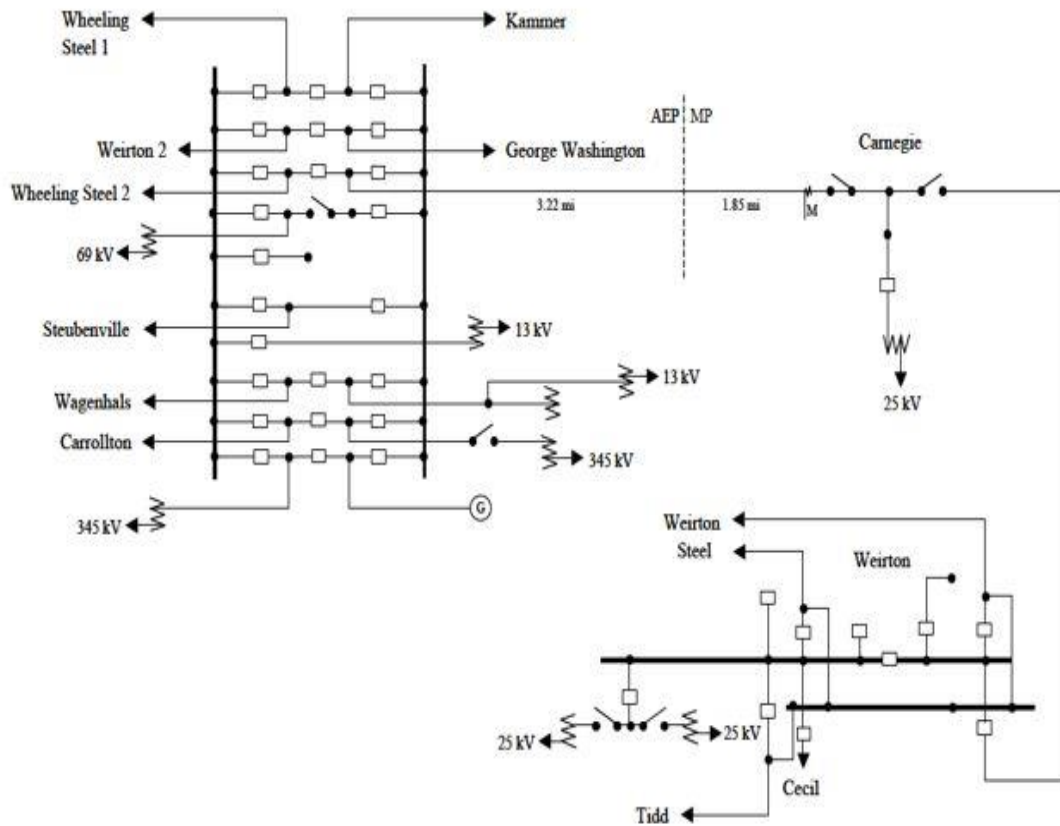


345 kV metering equipment installed at OPCo's Tidd 345 kV Station for the Tidd-Wylie Ridge Interconnection Point installed, owned operated and maintained by OPCo.

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FIGURE 6

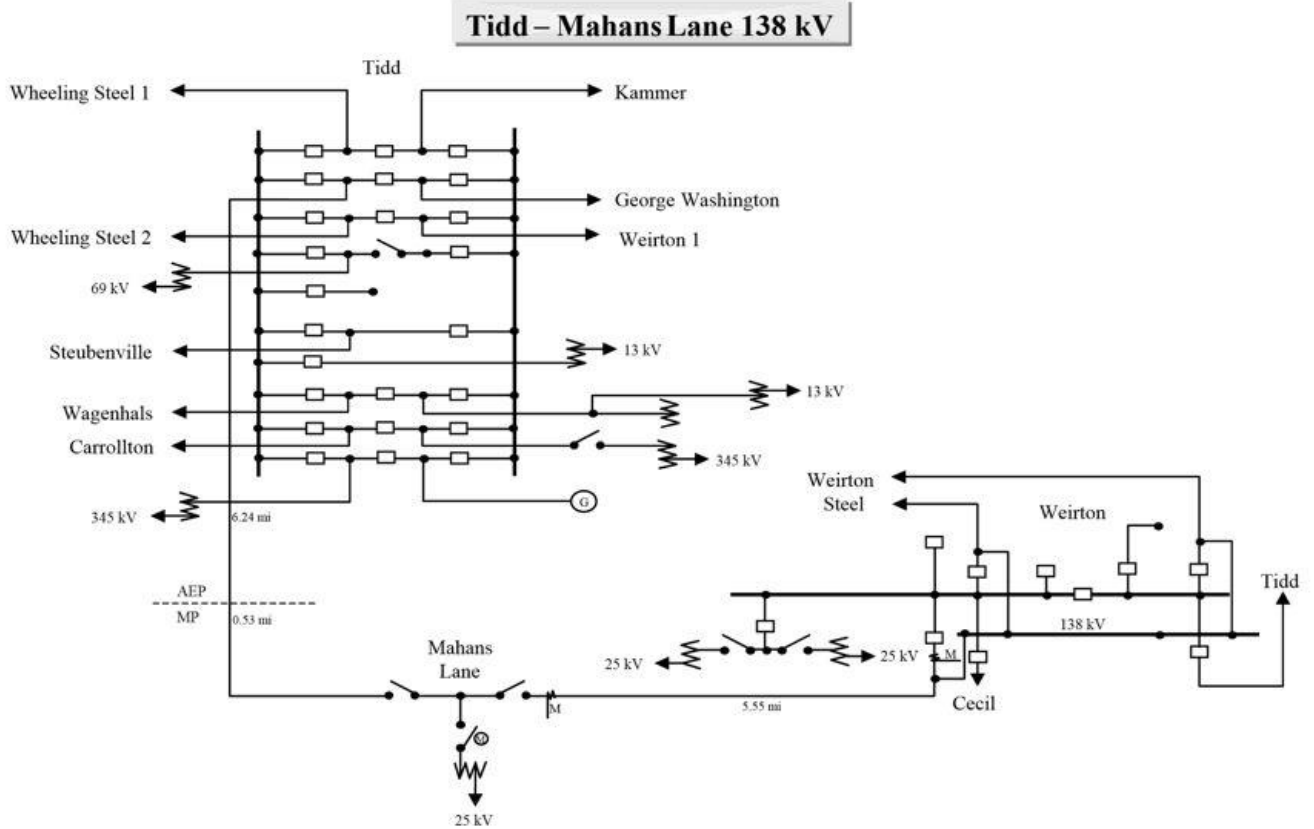
Tidd-Carnegie 138 kV



138 kV metering equipment installed at Mon Power's Carnegie 138 kV Station for the Tidd-Carnegie Interconnection Point installed, owned and operated by Mon Power.

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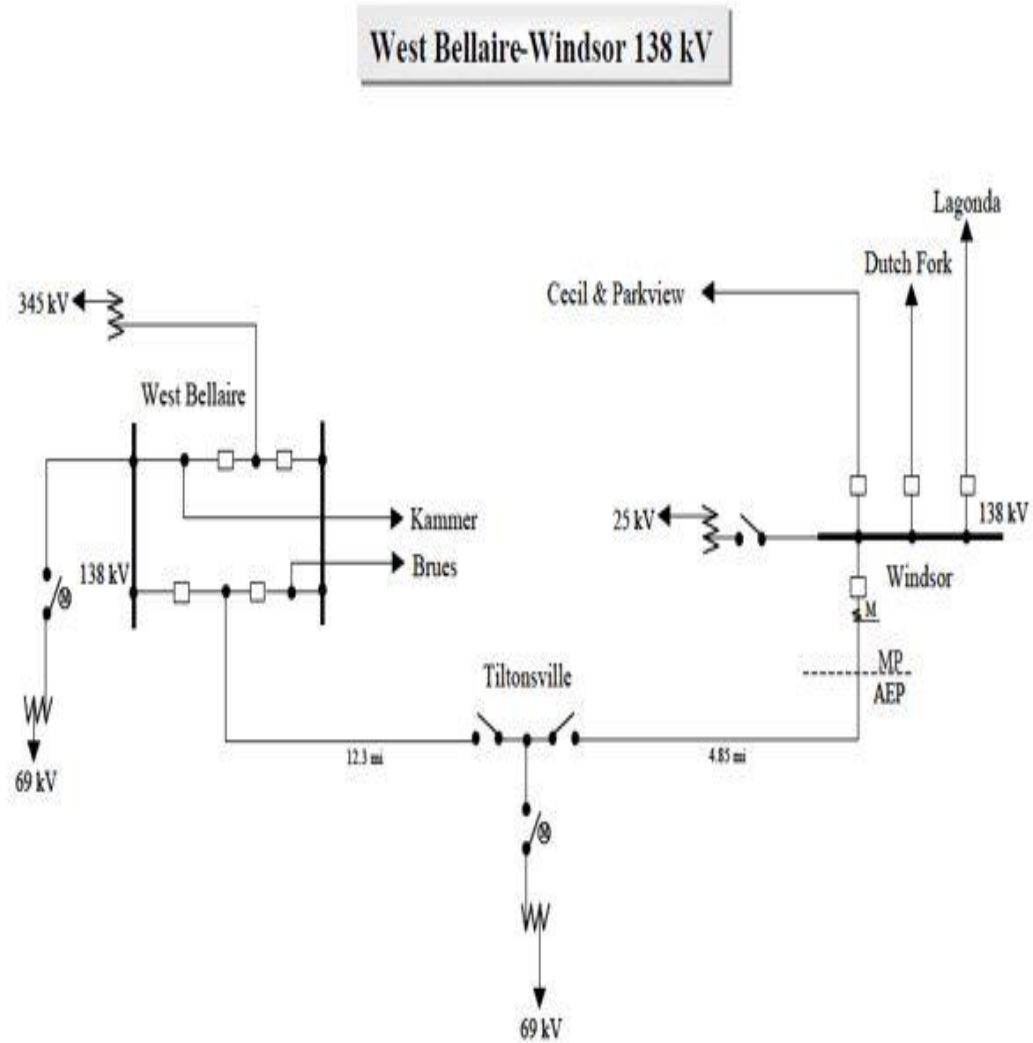
FIGURE 7



138 kV metering equipment installed at Mon Power's Mahans Lane 138 kV Station for the Tidd-Mahans Lane Interconnection Point installed, owned, operated and maintained by Mon Power.

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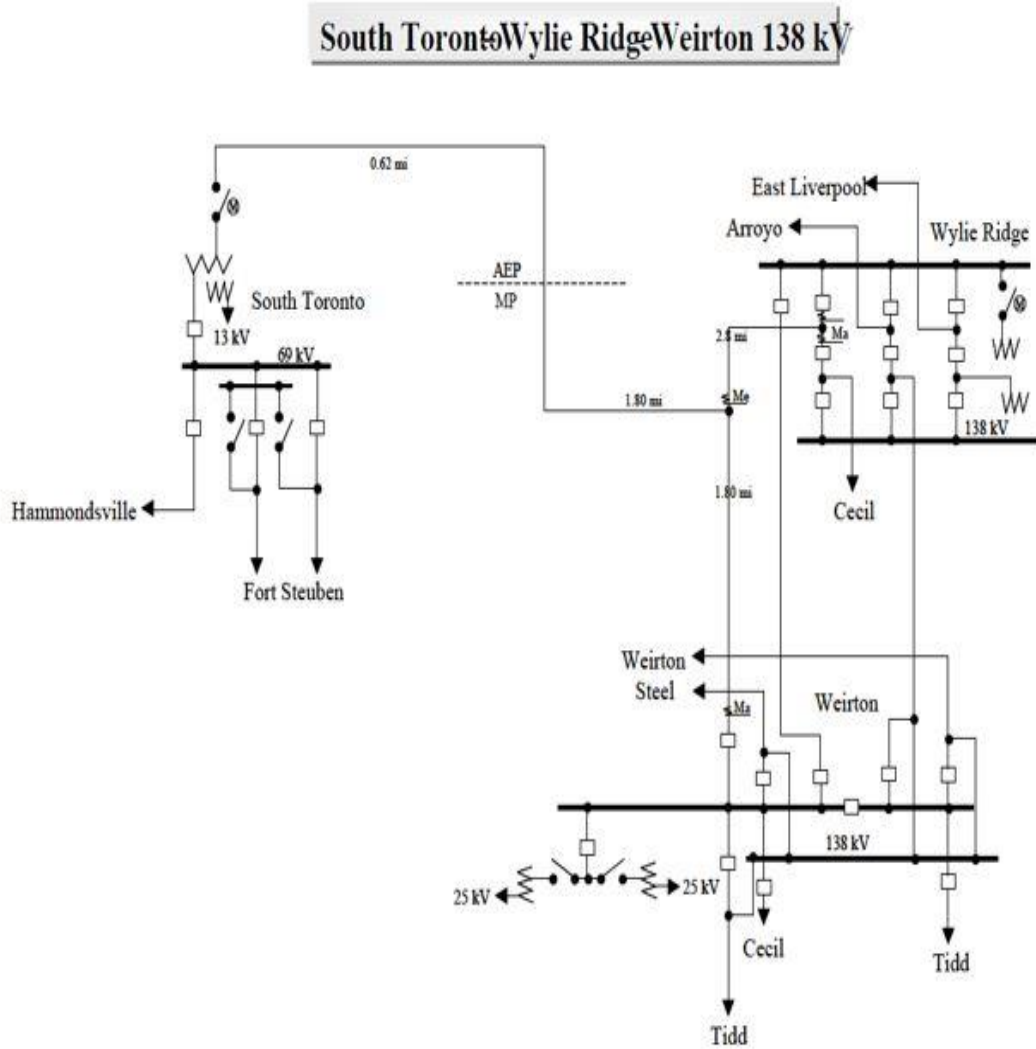
FIGURE 8



138 kV metering equipment installed at Mon Power's Windsor 138 kV Station for the West Bellaire - Windsor Interconnection Point 138 kV installed, owned, operated and maintained by Mon Power.

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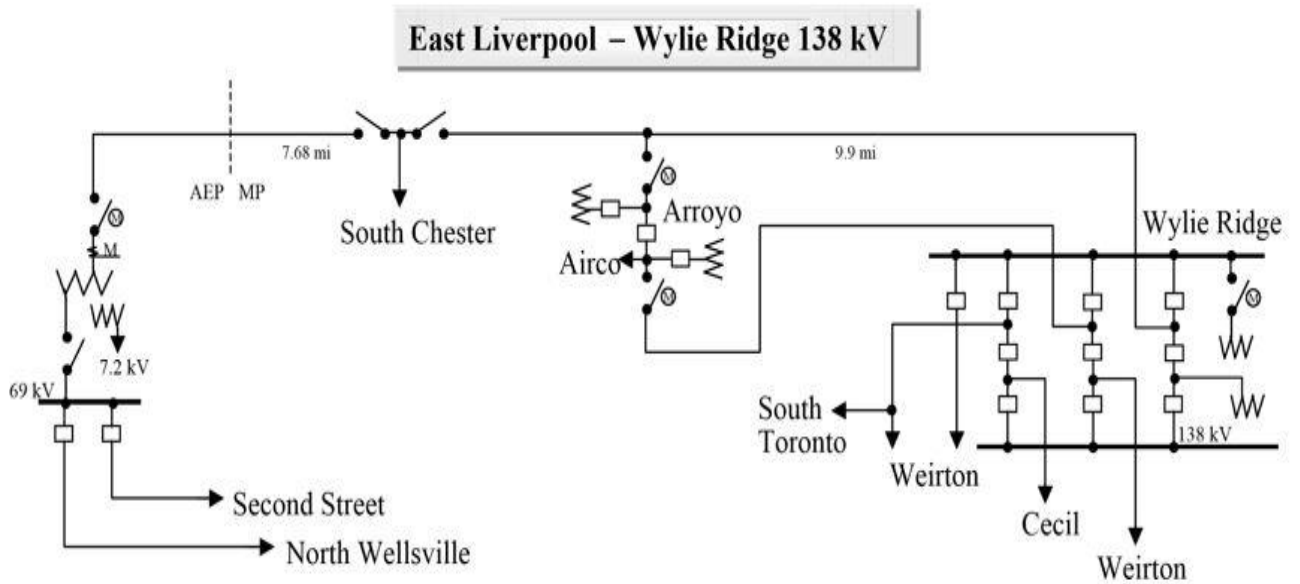
FIGURE 9



138 kV metering equipment installed at Mon Power's Wylie Ridge 138 kV Station effectively metering to the South Toronto tap for the South Toronto-Wylie Ridge-Weirton Interconnection Point installed, owned, operated and maintained by Mon Power.

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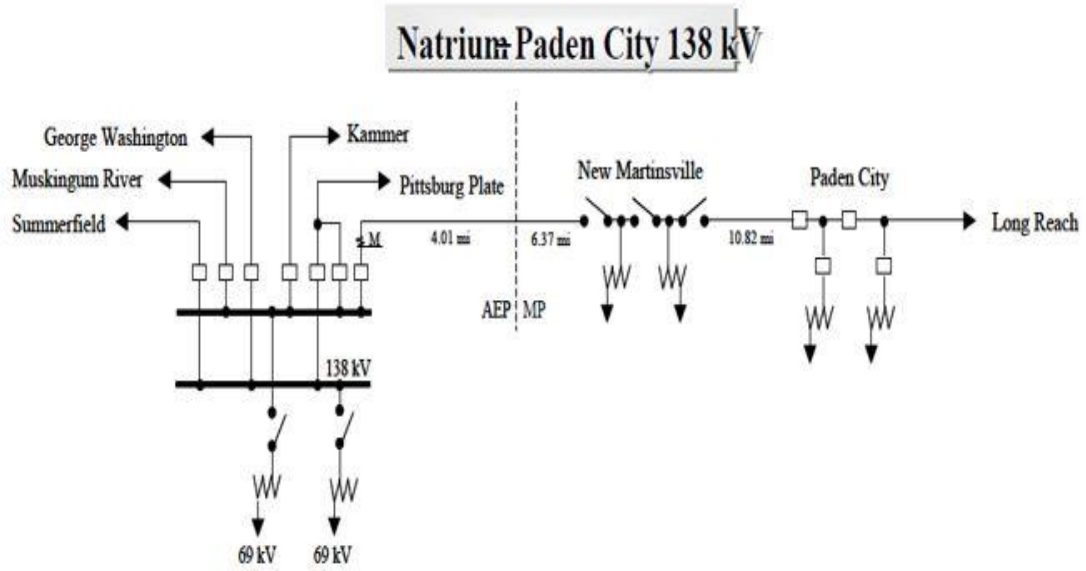
FIGURE 10



138 kV metering equipment installed at OPCo's East Liverpool 138 kV Station for the East Liverpool – Wylie ridge Interconnection Point installed, owned operated and maintained by OPCo.

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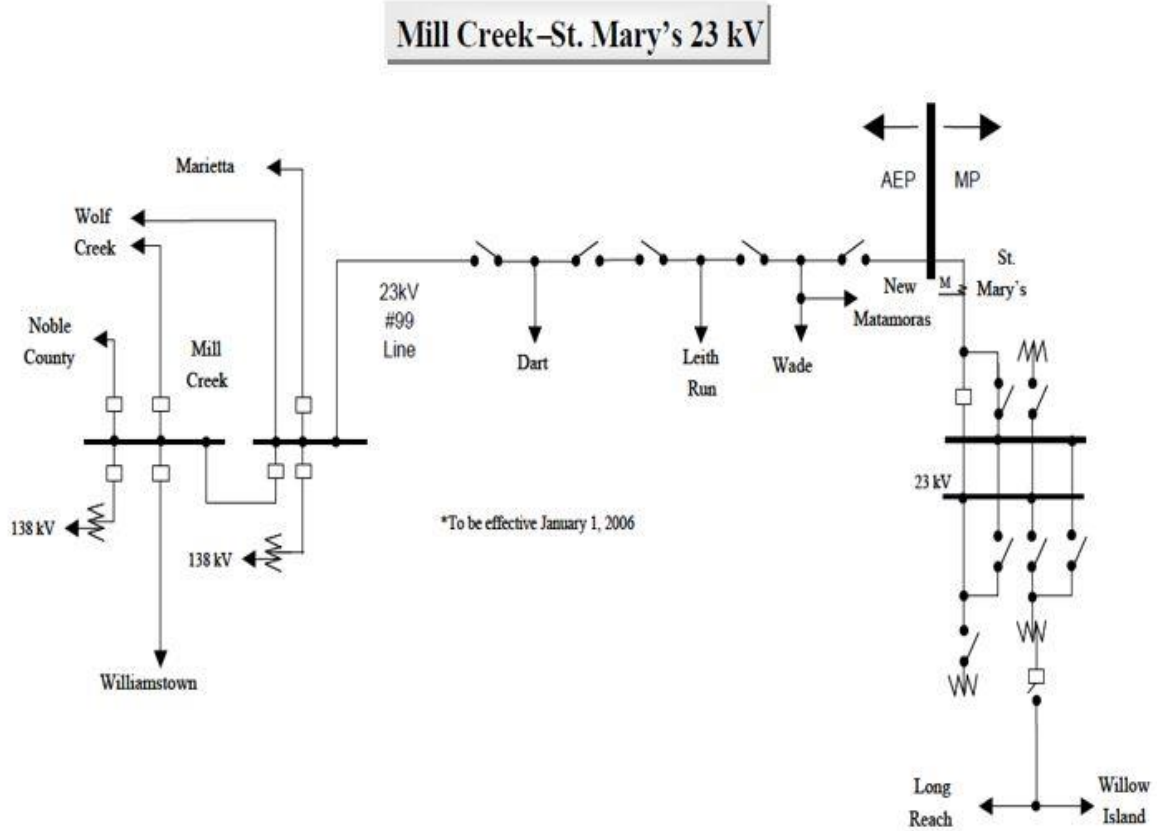
FIGURE 11



138 kV metering equipment installed at WPCo's Natrium 138 kV Station for the Natrium-Paden City (Longreach) Interconnection Point installed, owned, operated and maintained by WPCo.

APPENDIX I

FIGURE 12

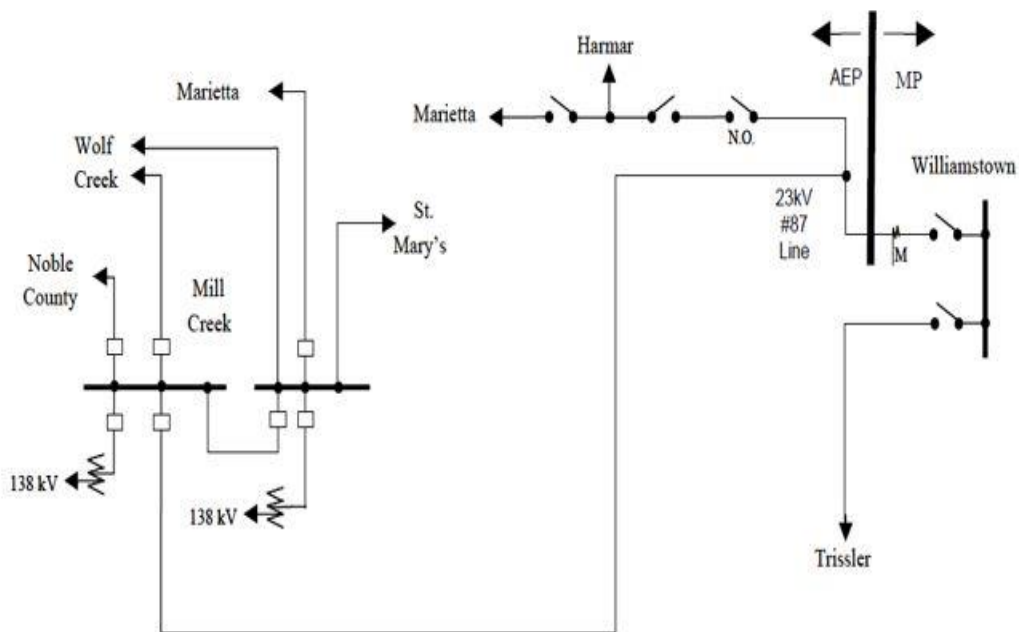


23 kV metering equipment installed at Mon Power's St. Mary 23 kV Station for the St. Mary's-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

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FIGURE 13

Mill Creek – Williamstown 23 kV

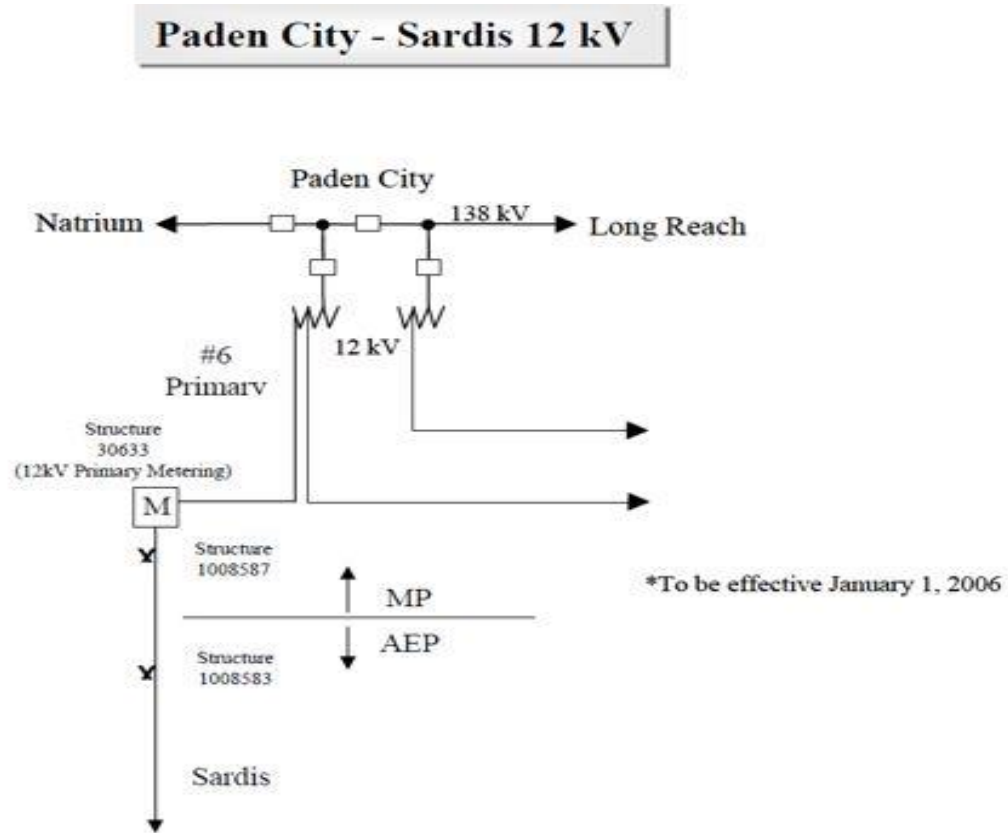


*To be effective January 1, 2006

23 kV metering equipment installed at Mon Power's Williamstown 23 kV Station for the Mill Creek Williamstown Interconnection Point installed, owned, operated and maintained by Mon Power.

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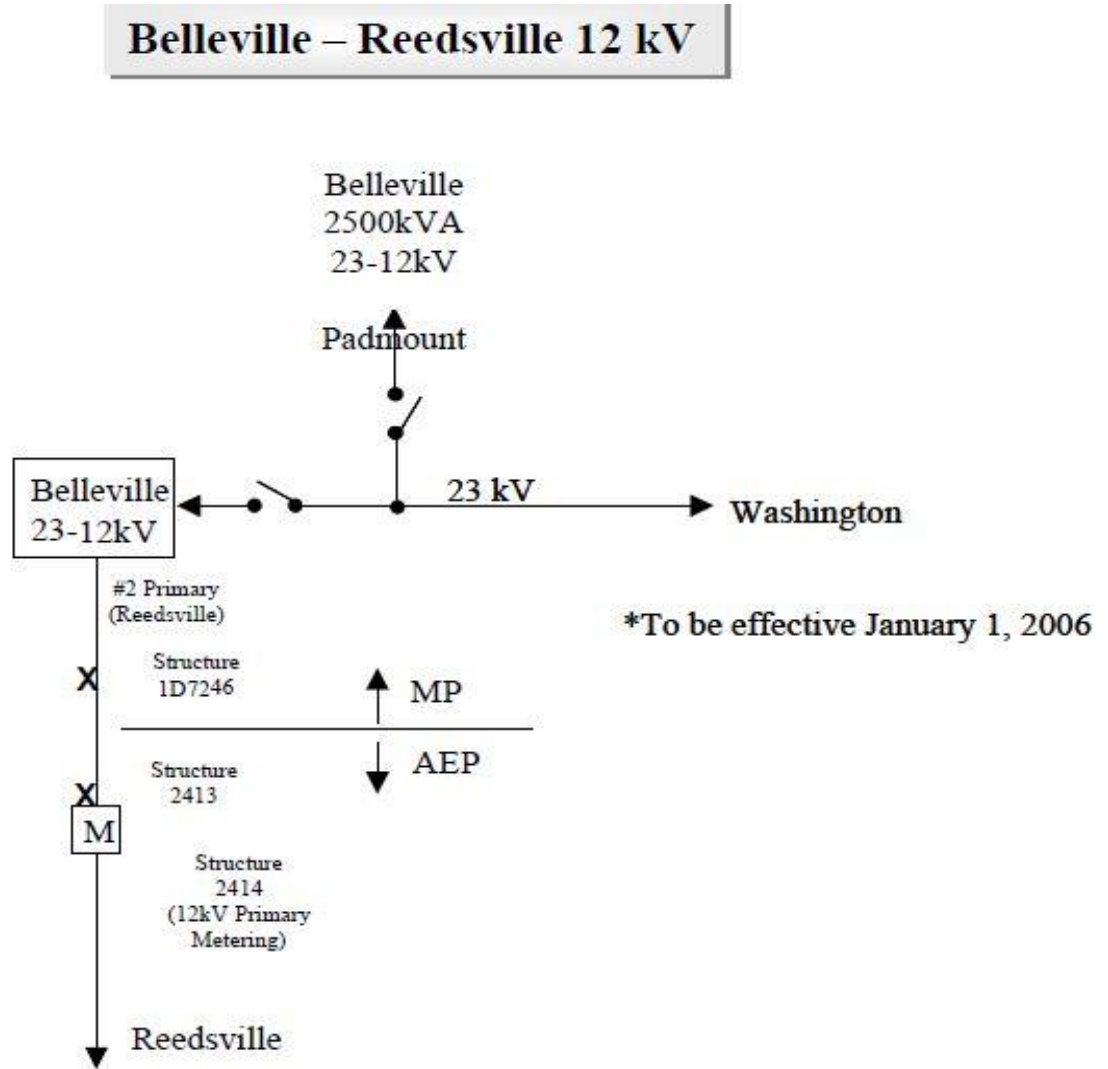
FIGURE 14



12 kV metering equipment installed near Mon Power's Paden City Substation for the Paden City-Sardis Interconnection Point installed, owned, operated and maintained by Mon Power.

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FIGURE 15

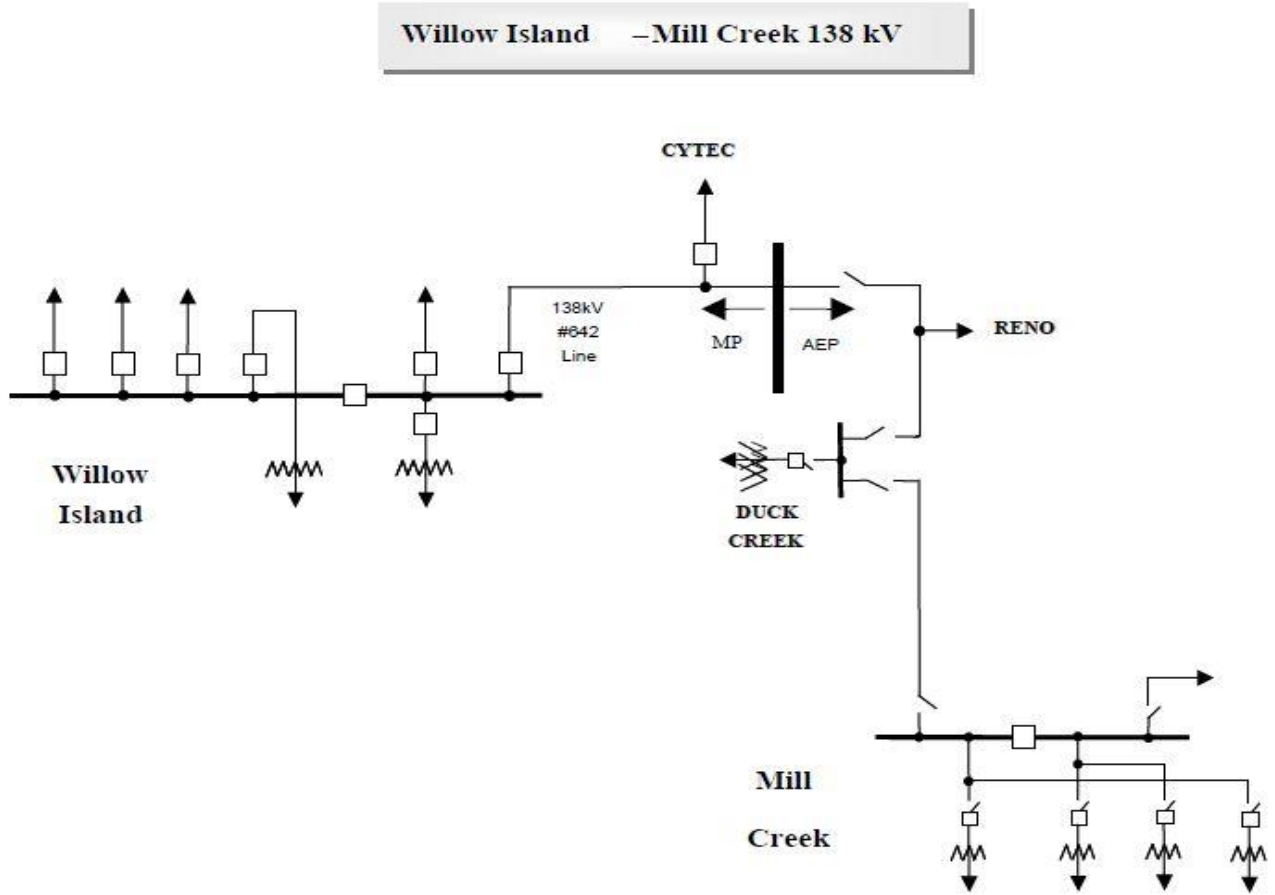


12 kV metering equipment installed near the Reedsville Substation for the Belleville-Reedsville Interconnection Point installed, owned, operated and maintained by OPCo.

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FIGURE 16

(EXISTING INTERCONNECTION)



*To be effective January 1, 2006

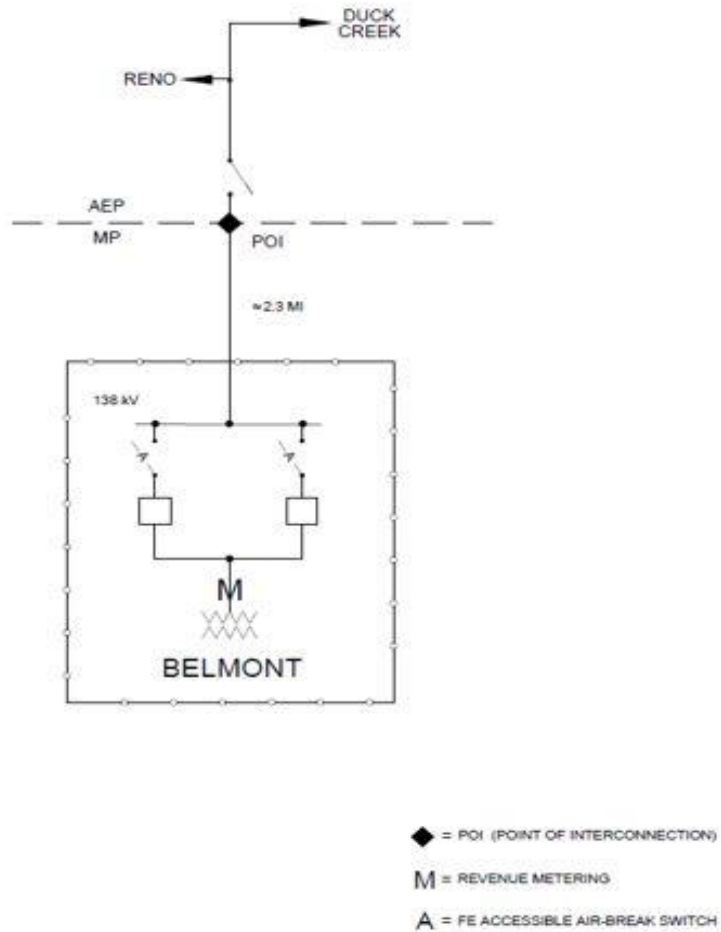
138 kV metering equipment installed at Mon Power's Willow Island 138 kV Station for the Willow Island-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

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FIGURE 16

(FUTURE INTERCONNECTION)

Belmont – Mill Creek

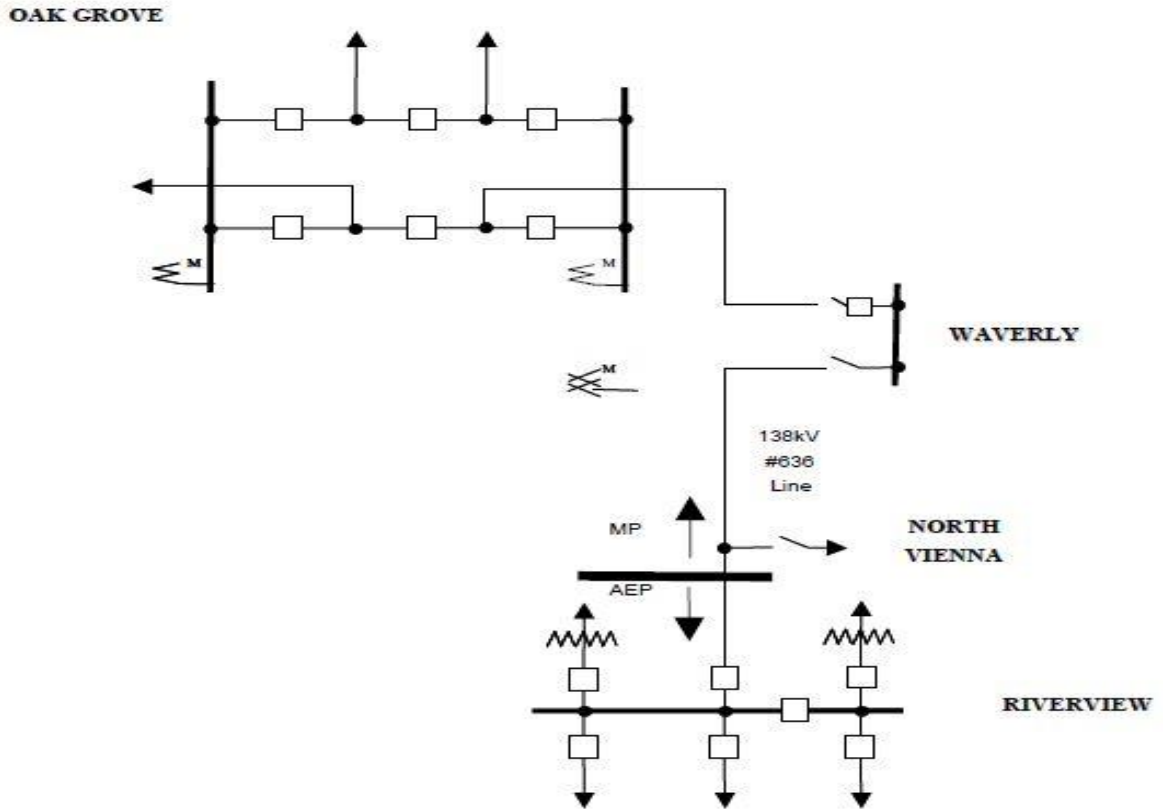


138 kV metering equipment installed at Mon Power’s Belmont 138 kV Station for the Belmont-Mill Creek Interconnection Point installed, owned, operated and maintained by Mon Power.

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FIGURE 17

Oak Grove - Riverview 138 kV



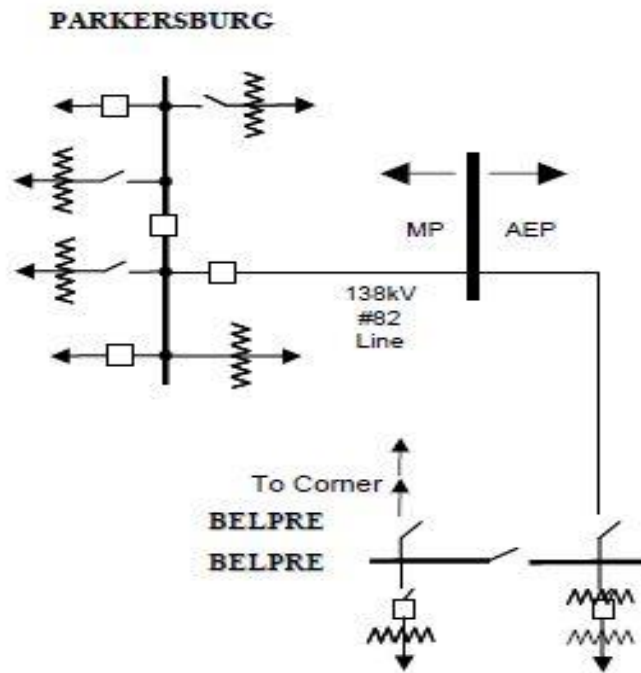
*To be effective January 1, 2006

138 kV metering equipment installed at OPCo's Riverview 138 kV Station for the Oak Grove-Riverview Interconnection Point installed, owned, operated and maintained by OPCo.

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FIGURE 18

Parkersburg – Belpre 138 kV

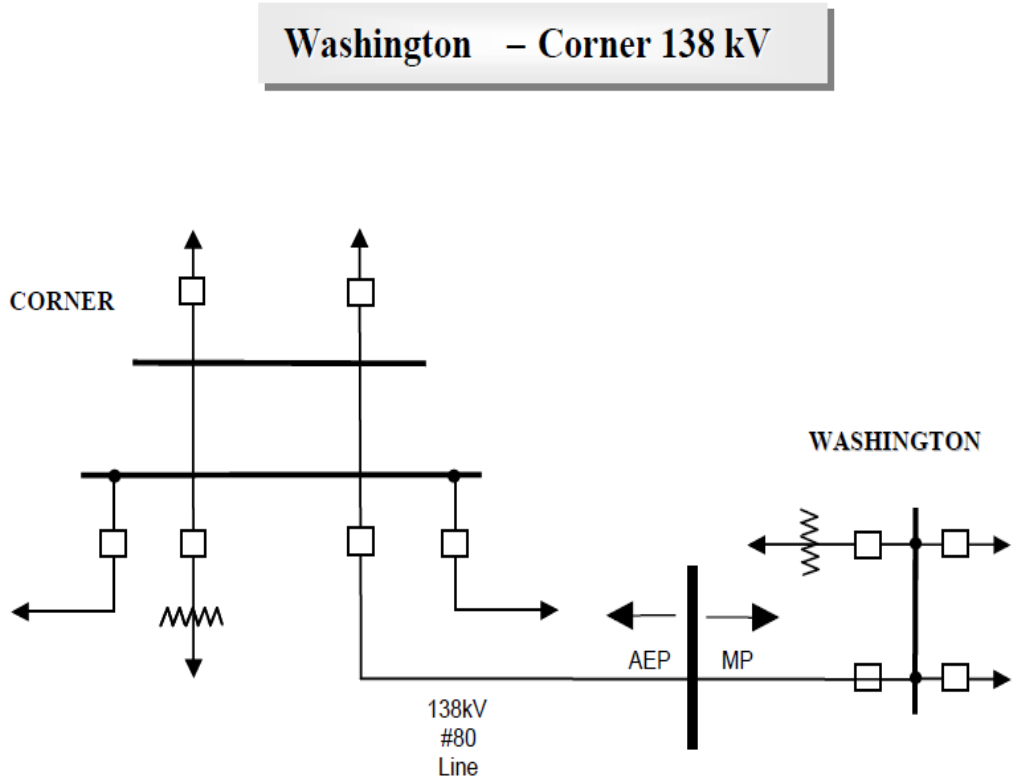


*To be effective January 1, 2006

138 kV metering equipment installed at OPCo's Belpre 138 kV Station for the Parkersburg-Belpre Interconnection Point installed, owned, operated and maintained by OPCo.

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FIGURE 19

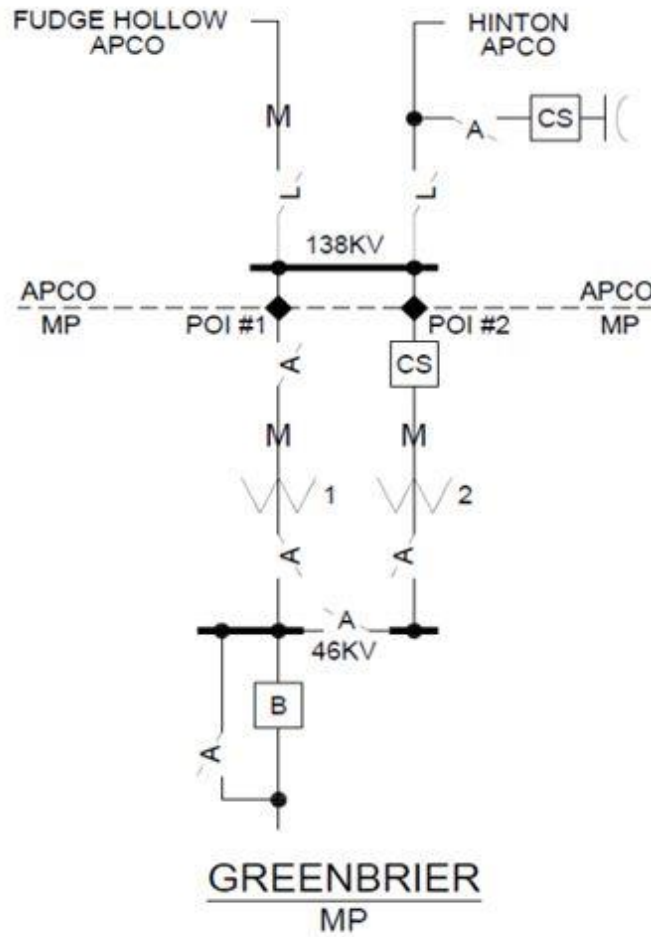


138 kV metering equipment installed at OPCo's Corner 138 kV Station for the Washington-Corner Interconnection Point installed, owned, operated and maintained by OPCo.

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FIGURE 20

Greenbrier 138 kV

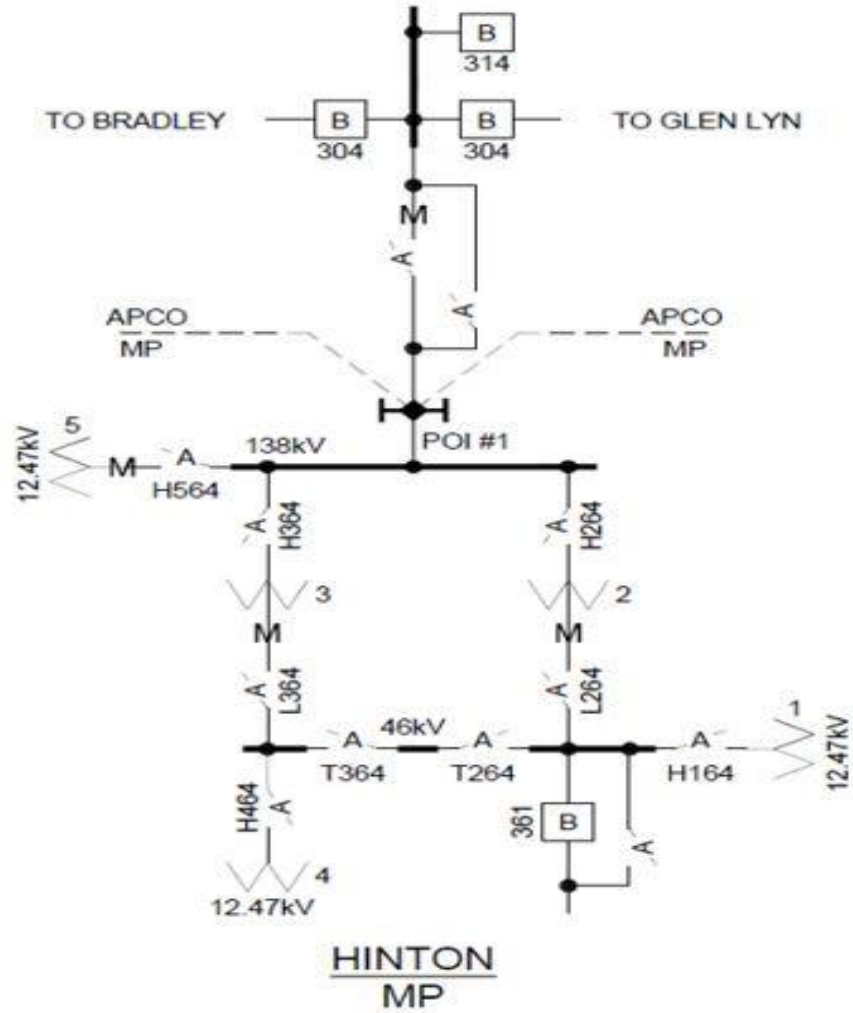


138 kV metering equipment installed at Mon Power's Greenbrier 138 kV Station owned, operated and maintained by APCo except for associated PTs and CT's which are owned by Mon Power.

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FIGURE 21

Hinton 138 kV

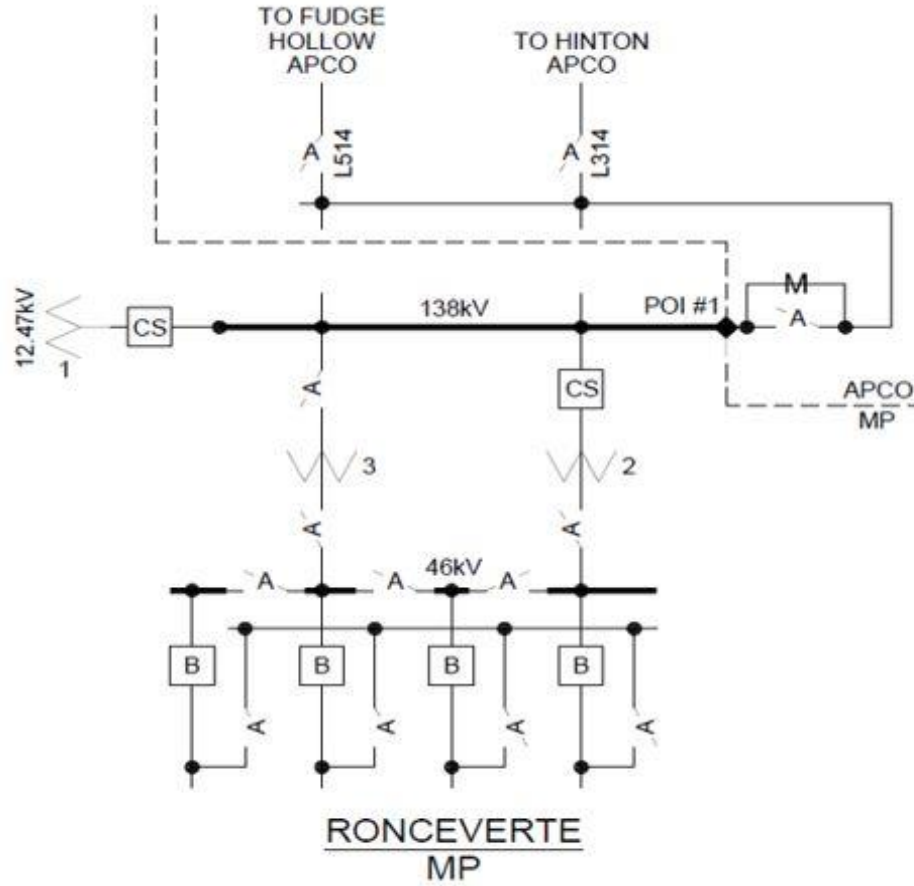


138 kV metering equipment installed on the APCo 138 kV line connected to Mon Power's 138 kV system is owned, operated and maintained by APCo.

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FIGURE 22

Ronceverte 138 kV



138 kV metering equipment installed on the APCo 138 kV line connected to Mon Power's 138 kV system is owned, operated and maintained by APCo.

APPENDIX II Metering Requirements

1.1 Purpose

The purpose of Appendix II is to delineate the coordination of each Party's responsibilities to comply with the requirements and standards for metering as applicable to an Interconnection Point under this Agreement. The Parties shall conform and adopt the use of Appendix II as a guide to acknowledge the general principles for metering. In the event of conflict between Appendix II and any mandatory and enforceable requirement (e.g., Applicable Laws and Regulations, PJM Requirements, and NERC Reliability Standards), such conflict shall be resolved in favor of the applicable mandatory and enforceable requirement.

1.2 Metering Point

Electric power and energy delivered at an Interconnection Point shall be measured by suitable metering equipment provided by the Parties or an Affiliate at the Metering Point identified in Appendix I; and at such other points, voltages, and ownership as may be agreed upon by the Parties.

1.3 Metering Equipment

Suitable and reliable metering equipment shall be installed at each ~~Interconnection Point, as described under Section 1.1 above~~ Metering Point, and shall include potential and current transformers, revenue meters, test switches and such other equipment as may be needed. The metering design ~~standard and functionality~~ established by this Appendix II shall ~~apply to serve as a guideline for~~ all new interconnection metering installations. ~~However, a major, including any modification, addition or upgrade, or any new installation, which is not a replacement to any existing facilities~~ metering equipment after the ~~effective~~ date of this ~~agreement, Agreement~~. As such, a Party may deviate from this metering design and functionality with the other Party's consent, which shall not be performed in compliance with this standard. ~~unreasonably withheld, conditioned or delayed.~~

~~1.2.1~~ 1.3.1 General Requirements

All metering quantities shall be measured at the Interconnection Point ~~and its metering~~. Metering equipment, including the accuracy of the meters for points of interconnection of the transmission system shall meet the ~~ANSI applicable NERC Reliability Standards as set forth in Section 1.2.2 of this Appendix II, PJM Requirements, and the American National Standards Institute ("ANSI") standards.~~ The Parties may agree by amendment to this Agreement to install metering at locations other than the Interconnection Point; however, measured metering quantities shall be compensated for losses

to the Interconnection Point, ~~provided that the~~. The Parties shall exercise ~~commercially~~ reasonable efforts to avoid such compensating metering installations.

All reasonable costs for ~~the~~ meter changes or meter upgrades requested by ~~the~~ Party shall be borne by the requesting Party, unless agreed otherwise.

~~1.2.2~~ 1.3.2 Industry Standard Requirements

~~At least. Three metering elements are to be used unless both Parties agree doing so is unreasonable. In the event three metering elements are not used, the~~ (N-1) metering elements will be used to measure all real and reactive power crossing the Interconnection Point, where N is the number of wires in service including the ground wire. The revenue quality metering package (consisting of instrument transformers, meters, sockets, and test switches) shall be installed, calibrated, and tested (at the requesting Party's expense) in accordance with the latest approved version of (but not limited to) the ~~Standard Documents~~ ANSI standards listed below, or their successors(s) including the standard testing procedures and guidelines of the Party that owns the metering equipment:

- ~~ANSI C12.1 : _____ Code For Electricity Metering~~
- ~~_____ ANSI C12.7 : _____ Requirements for Watt-Hour Meter Socket~~
- ~~_____ ANSI C12.9 : _____ Test Switches for Transformer-Rated Meters~~
- ~~ANSI C12.11 : _____: _____ Instrument Transformers for Revenue Metering, 10 kV 10KV Through 350 kV 350KV BIL~~
- ~~ANSI C12.10 : Electromechanical Watt-hour Meters~~
- ~~ANSI C12.16 : Solid State Electricity Meters~~
- ~~ANSI C12.20 : For Electricity Meters 0.2 and 0.5 Accuracy Class~~
- ~~ANSI C37.90.1 : Surge Withstand Capability (SWC) Test~~
- ANSI C12.10: Electromechanical Watt-hour Meters
- ANSI C12.16: Solid State Electricity Meters
- ANSI C12.20: For Electricity Meters 0.2 and 0.5 Accuracy Class
- ANSI C37.90.1: Surge Withstand Capability (SWC) Test
- ANSI/IEEE C57.13 :-: Standard Requirements for Instrument Transformers

To the extent that the above ~~requirement conflicts~~requirements conflict with the manuals, standards or guidelines of the ~~applicable Reliability Council~~NERC regarding interchange metering and transactions, the manuals, standards and guidelines of ~~such Reliability Council~~the NERC shall control.

~~1.2.3.3~~ 1.2.3.3 Metering Equipment Maintenance and Testing

Upon installation~~and~~, unless otherwise specified, the revenue meters for Interconnection Points of 500 kW or larger shall be inspected and tested in accordance with the latest applicable ANSI Standards as set forth in Section 1.2.2 standards and at least once every two (2) years, or at any other mutually agreed frequency thereafter. More frequent meter tests can be performed at the request of any Party,~~and; however~~, the test will be performed at the requesting Party's expense if the meter is found to be within the established ANSI tolerances. The Party that owns the metering shall inform the other Party with at least ~~(3)~~ three weeks~~(3) weeks'~~ advance notice ~~or more~~, of impending metering tests, and invite the other Party to attend and witness the tests.

The accuracy of the revenue meter shall be maintained at two tenths of one percent (0.2%) accuracy or better, and the meter test shall require a meter standard with accuracy traceable to the National Institute of Standards and Technology ~~(“NIST”)~~.

If at any test of metering equipment an inaccuracy shall be disclosed exceeding ~~twone~~ percent (2%), the account between the Parties for service theretofore delivered shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (1) for the 30-day period immediately preceding the day of the test, or (2) for the period that such inaccuracy may be determined to have existed. No meter shall be left in service if the percent accuracy error is found to be more than ~~+/- 1%~~ plus or minus one percent (1%).

The Party that owns the metering equipment shall maintain records for the life of the Interconnection Point that demonstrate compliance with all meter tests and maintenance conducted in accordance with Good Utility Practice ~~for the life of the Interconnection Point~~. The ~~other~~Non-owning Party shall have reasonable access to such records, and the Party that owns the metering equipment will provide such records to the Non-owning Party upon request. If ~~Revenue Metering~~revenue metering equipment fails to function, the energy registration shall be determined from the best available data, including the check metering, if applicable. The Instrument Transformers ~~(“IT”)~~ shall also be inspected and

maintained based on ~~Article~~Section 1.23.2 of this Appendix II, and existing standards and practices of the Party that owns the metering equipment.

—1.23.4- Current Transformer Requirements

. Each ~~metering point~~Metering Point shall have a dedicated set of metering class ~~of~~ current transformers. Unless otherwise agreed upon by the Parties, all metering shall be type 3.0 element metering, and have three (3) metering accuracy current transformers.

Current transformers shall meet or exceed an accuracy class of 0.3% (as defined in IEEE C57.13), or better. Current transformers shall comply with the minimum BIL rating as specified in standards IEEE C57.13 and ANSI C12.11.

The mechanical and thermal short ~~term~~ current ratings of the current transformer shall exceed or withstand the available fault current, while the secondary burden of the current transformer shall not exceed its stated name plate burden rating.

—1.23.5- Voltage Transformers Requirements

. Each ~~metering point~~Metering Point shall have a dedicated set of metering class ~~of~~ voltage transformers. Unless otherwise agreed upon by the Parties, all metering shall be type 3.0 element metering, and have three (3) metering accuracy ~~current~~voltage transformers.

Voltage transformers shall meet or exceed an accuracy class of 0.3% (as defined in IEEE C57.13). The ~~+15 volt~~ secondary of the voltage transformers shall be exclusively used for the revenue meters only, so as not to exceed the secondary burden of the stated voltage transformer's ~~name plate burden rating. nameplate burden rating provided, however, that voltage transformers with two secondary windings, may have one winding dedicated to the revenue meters, and the other winding used for the relaying purposes or for other station metering. The nameplate burden rating on either winding must not be exceeded.~~

Voltage transformers shall comply with the minimum BIL rating as specified in standards IEEE C57.13 and ANSI C12.11.

—1.34 Remote Meter Access and Data Communications

For ~~an~~ all Interconnection Points, not designated as normally open, ~~and for a normally open Interconnection Point,~~ the Owning Party that owns the metering equipment at such Interconnection Point, unless otherwise mutually agreed, shall be responsible for installation of the communications facilities (typically consisting of a telephone circuit and modems) for remotely accessing the meter. The Owning Party ~~that owns the metering equipment~~ shall also be responsible for operation and maintenance, and on-going monthly costs of the communication facilities.

—1.34.1- Remote Billing Data Retrieval

The ~~e~~Owning Party ~~shall~~may provide appropriate communication capability of electronic remote interrogation of the billing data in a manner that is compatible with commonly used billing data systems such as MV-90.

—1.34.2- Real Time Communications

Revenue meters shall be capable of communicating with DAS equipment such as Remote Terminal Unit (“RTU”) to provide the following real-time ~~bidirectional~~bi-directional power and energy data: instantaneous real and reactive power flows, per phase and three-phase averaged Root-Mean-Squared (“RMS”) voltages, per phase and three-phase averaged RMS currents and frequency with at least two decimal points. Alternative systems which provide the same data may be used upon agreement of the Parties.

—1.4.3.3- Energy Flow Data

A continuous accumulating record of active and reactive energy flows shall be provided by means of the registers on the meters. The deployed revenue meter(s) shall be capable of providing ~~bidirectional~~bi-directional energy data flow in either kyz pulse signals format, or accumulated counters to RTU. All Parties shall share the same data register buffers regardless of the types of employed data communication methods. If the accumulation counter method is used, only one Party shall be responsible for freezing the accumulator buffers and the owner of the metering equipment shall freeze them. The accumulator freezing signals shall be synchronized to Universal Coordinated Time (~~“UCT”~~) within 1/2 seconds.

—1.45 Metering Device Requirements

All revenue meters shall be programmable and capable of measuring, recording, and displaying bi-directional active and reactive energy and four quadrant power quantities. ~~Also, the~~ Where applicable, revenue meters shall be programmable for compensating for power transformer and line losses and, when applicable, such compensation shall be used in determining the settlement of power transferred at the Interconnection Point. The revenue meters may preferably have at least one serial communication, one Ethernet port, hard-wired “kyz” pulse output, and internal modem for data communication.

-1.6 Revenue and Additional Metering

~~The revenue meters’ internal clocks and real time DAS equipment shall be synchronized with UTC (“Universal Time Coordination”) with at least 10 milliseconds resolution. The GPS clock receiver used at each interconnection point, shall be capable of providing unmodulated IRIG-B signals to support the UTC time-synch requirement.~~

~~—1.5—~~ Redundant Installation

Each ~~metering point~~ Interconnection Point shall have a primary and a backup meter. The revenue meters shall be powered by the station control battery, ~~— or by automatic transfer to an alternate AC source.~~ However, each Party may have additional metering at any existing Interconnection Point. The Parties will cooperate to determine correct meter values as needed.

~~—1.67~~ Meter Access

A Party whose metering equipment is located within a substation owned by the other Party shall have reasonable access to said metering equipment for purposes of meter reading, inspection, testing, and other such valid operating purposes, if required. Such access shall not be unreasonably withheld.

~~—1.78~~ Meter Removal

Upon termination of this Agreement or when the metering is no longer needed, ~~the~~ the Party ~~that owns the~~ owning meter equipment in another Party’s station shall remove ~~the~~ such metering equipment from the premises of the other Party within one (1) year after termination or within one (1) year after the Party that owns the meter equipment determines that the interchange metering is no longer needed. In all cases, the removal of the metering equipment shall not inadvisably affect other existing measurement devices.

APPENDIX III

DAS EQUIPMENT: OWNERSHIP, INSTALLATION NON-STANDARD TERMS AND MAINTENANCE CONDITIONS

1.1 Need for Data Acquisition Provisions

In recognition that the coordination of the system operations by the Parties may require the sharing of power flow and other information from meters and other equipment at the Interconnection Points, the Parties agree to cooperate on the installation and operation of data acquisition (“DAS”) equipment including remote terminal units (“RTUs”), meters, MW/MVAR and Volt transducers, modem, lease lines, etc. at points which shall from time to time be mutually agreed upon. Therefore, the Parties establish this Appendix III to govern the general principles of such DAS arrangements.

Based upon mutual agreement, the Station Owner’s RTU or equivalent devices may be shared by the Party. The RTU shall provide a dedicated communication port with mutually agreed upon communication protocols. Where there are protocol restrictions because of existing legacy systems, industry standard protocols such as DNP 3.0 or IEC 60870 shall be offered. If a proprietary communication protocol is to be used solely for one Party, the requesting Party shall be responsible for the cost for adding the customized communication capability. The following real time data shall be provided for all parties as minimum requirements: bidirectional energy flows, instantaneous power flows, per phase and three phase averaged RMS voltages, per phase and three phase averaged RMS currents, frequency with at least two decimal points and the status of all switching devices on the interconnection circuit(s).

1.1.1 The DAS equipment covered herein shall be associated with the metering points specified in Appendix II. Appendix III shall be updated from time to time whenever new data acquisition installations are established or existing installations are upgraded or deactivated.

1.2 New DAS Arrangement

The details of individual DAS arrangements, which may include ownership of specific DAS equipment, and any mutually agreed upon provisions which are different from or in addition to the arrangements specified in this Agreement, shall be in writing and signed by the Parties. The new DAS arrangements approved by the Operating Committee, shall cover such details as responsibilities for provision and installation of equipment, ownership, project

~~scheduling, maintenance, and cost reimbursement, and shall be considered a part of this Agreement as if they had been included herein.~~

~~1.3 Ownership, Installation and Maintenance~~

~~For purposes of this Appendix III, the term “Other Party” means a Party that wishes to obtain information from an owning Party through the installation of DAS equipment. Unless otherwise mutually agreed, ownership of such DAS equipment shall be shared by the Parties as herein described; *provided, however,* the owning Party shall have the responsibility to install all the DAS equipment.~~

~~1.3.1 The owning Party shall provide, own, install, and maintain the relays, transducers, wiring, protection equipment and associated materials (“Owning Party Equipment”) required for the installation of the other Party’s data acquisition equipment (“Other Party’s Equipment”). Equipment that is shared in common between the owning Party with the Other Party (such as duplicating relays, test switches, etc.) shall likewise be provided, owned, installed, and maintained by the owning Party, and shall be part of the Owning Party’s Equipment, unless agreed otherwise.~~

~~1.3.2 The Other Party shall provide the owning Party documents listing and describing the Other Party’s Equipment that the Other Party will supply for installation by the owning Party. These documents will generally consist of a hardware list and detailed drawings and/or circuit diagram. If the owning Party does not stock the DAS equipment or other components specified by the Other Party, then the Other Party will supply the necessary components including spare parts. The owning Party reserves the right to refuse to install any material supplied by the Other Party that has not been approved by the owning Party for use in its installations.~~

~~1.3.3 The Other Party shall provide, own and maintain as part of the Other Party’s Equipment, the data communication circuits, including any necessary data circuit protection equipment, and be responsible for the costs of such circuit. Where deemed appropriate by the owning Party, the Other Party personnel shall be permitted to work independently on its equipment. Generally, however, work performed by the other Party’s personnel shall be performed under the supervision of the owning Party personnel, unless such equipment is located outside or is only accessible from outside the owning Party’s facilities.~~

~~1.3.4 Unless otherwise mutually agreed, the owning Party will provide station battery power to the DAS equipment at 48, 125, or 250 Volt DC, via a DC circuit fused at 15, 5, or 5 ampere, respectively. Under no circumstances shall the Other Party connect either the positive or negative side of this circuit to ground. The Other Party's equipment shall be connected to the station's grounding conductor through the owning Party's breaker control panel. The owning Party's shall provide station service power for the data acquisition equipment via a 115 V, 60 hz, with a 15 amperes fused circuit.~~

~~1.4~~ Location and Site Access

~~The owning Party shall permit the Other Party to locate its data acquisition equipment and data circuit protection equipment in the owning Party's station control building, if adequate space exist or is available, or outside the owning Party's station switchyard, if no control house is available. In choosing equipment location, consideration shall be given to equipment security, protection and access needs of the Parties. In cases where escorted access to the station control house or outdoor equipment is required, the Other Party shall notify the owning Party at least 24 hours prior to its desired visit. If access is needed on a short notice, the Parties shall endeavor to arrange such visits by mutual agreement. The owning Party shall not unreasonably withhold access to the equipment to the Other Party; *provided, however*, the owning Party may deny access based upon safety considerations, operating condition or other relevant criteria.~~

~~1.5~~ Proprietary and Confidential Information

~~Upon the showing of reasonable cause by a Party, the Other Party shall treat all information received via telemetry from each other as confidential and proprietary and shall take such precautions as may be reasonable and necessary to prevent such information from being made known or disclosed to any person or entity except in accordance with this Agreement; *provided, however*, that if a Party is required by law, legal process or action of a court or government agencies to disclose any information, such Party shall promptly notify the Other Party of such requirement so that action, deemed appropriate in the circumstances, may be taken to protect confidential and proprietary information against disclosure~~

~~1.6~~ Cost Estimate, Billing and Payment

~~Prior to the installation of the Other Party's equipment, the owning Party and the Other Party shall prepare an estimate of the costs associated with such installation. All billings and payments terms and conditions, billing disputes and resolutions shall be handled pursuant to Article 5 of this Agreement.~~

ATTACHMENT 1

Construction Agreement

Between

APPENDIX IV

Definitions

“Affiliate”- shall mean with respect to a corporation, limited liability company, partnership or other entity, each such other corporation, limited liability company, partnership or other entity that either directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, limited liability company partnership or other entity.

“Applicable Laws and Regulations”– shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the relevant Parties, their respective facilities, and/or the respective services they provide.

“Contractor” – shall mean one or more persons or entities designated by either Party or its Affiliates to provide or perform all or a portion of the supply of any work, services, labor, supervision, equipment, data, materials or any other item related to the Interconnection Points identified in this Agreement.

“Confidential Information” – shall mean information clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by any Party, the disclosing Party shall provide in writing the basis for asserting that the information referred to warrants confidential treatment. “Confidential Information” does not include any information which the receiving Party can demonstrate (a) has become available to the public through no Breach of this Agreement; (b) was previously known by the receiving Party without any obligation to hold it in confidence; (c) was received on a non-confidential basis from a third party free to disclose such information without restriction; or (d) was independently developed by the receiving Party without the use of Confidential Information of the disclosing Party.

“Due Diligence” – shall mean the exercise of commercially reasonable efforts consistent with Good Utility Practice.

“Force Majeure” - shall mean any cause beyond the control of the affected Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of a public enemy or terrorist, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of Due Diligence such Party could not reasonably have been expected to avoid, and which, by the exercise of Due Diligence, it has been unable to overcome. Force Majeure does not include: (i) a failure of performance that is due to an affected Party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected Party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected Party.

~~“American Electric Power Service Corporation~~

~~As agent for Ohio Power Company~~

~~And~~

~~Trans-Allegheny Interstate Line Company~~

CONSTRUCTION AGREEMENT

This ~~Construction Agreement~~ (the "Agreement"), dated as of August [___], 2008 (the "Effective Date"), is made by and among ~~American Electric Power Service Corporation, as agent for Ohio Power Company ("OPCO"), and Trans-Allegheny Interstate Line Company ("TrAILCo").~~ OPCO and TrAILCo are sometimes hereinafter referred to as a "Party" or collectively as the "Parties".

RECITALS

- A. ~~West Penn Power Company, doing business as Allegheny Power ("West Penn") owns a 1500 MVA 765/500 kV transformer bank #200 (the "Existing Transformer Bank") located at OPCO's 765/500 kV Kammer Station (the "Kammer Station"). The Existing Transformer Bank is operated and maintained by OPCO, at West Penn's expense.~~
- B. ~~West Penn and TrAILCo have agreed that the Existing Transformer Bank should be replaced with, a new 2250 MVA transformer bank consisting of 3 750 MVA single phase units and a spare 750 MVA single phase unit ("New Transformer Bank"). TrAILCo will own the New Transformer Bank, and the Parties contemplate that OPCO will operate and maintain the New Transformer Bank, at TrAILCo's expense, subject to a separate agreement to be negotiated between OPCO and TrAILCo. Replacement of the Existing Transformer Bank is necessary because of the age of the units, loading concerns, frequent real time congestion, and the lack of a spare due to the failure of one of the 500 MVA single phase units. The replacement of the Existing Transformer Bank was approved by PJM Interconnection, L.L.C. ("PJM") as part of its Regional Transmission Expansion Plan process. PJM has directed West Penn to make arrangements to replace the Existing Transformer Bank by October 2009.~~
- C. ~~Contemporaneously with this Agreement, OPCO and West Penn Power Company, doing business as Allegheny Power ("West Penn") have entered into a Construction Agreement for the removal and disposal of the Existing Transformer Bank. In addition, contemporaneously with this Agreement, Wheeling Power Company ("Wheeling") and TrAILCo have entered into a Relocation Reimbursement Agreement pursuant to which TrAILCo will reimburse Wheeling for moving certain transmission lines necessitated by the removal of the Existing Transformer Bank.~~
- D. ~~OPCO and West Penn are parties to that certain Interconnection Agreement effective January 1, 2006, as subsequently modified ("Interconnection Agreement"), approved by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER06-397. The Interconnection Agreement was filed with the FERC as Service Agreement No. 1395 under the PJM Open Access Transmission Tariff, with PJM as signatory to the Agreement.~~

- ~~E. OPCO developed the cost estimates and the scope of work requirements to remove the Existing Transformer Bank, install the New Transformer Bank at the Kammer Station, and perform other work that will be necessary to accommodate the New Transformer Bank.~~
- ~~F. OPCO is willing to commence such activities subject to the terms and conditions set forth below.~~

~~**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**~~

~~1. SCOPE OF WORK~~

~~1.1 Appendix A provides a scope of work and description of Kammer Station facilities associated with the Existing Transformer Bank replacement, that are or will be provided to TrAILCo by OPCO. Figure 1 and Figure 2 provide one line diagrams of the Existing Transformer Bank and proposed configurations of the New Transformer Bank.~~

~~1.2 At the request of TrAILCo, OPCO has previously commenced engineering for the site work. TrAILCo hereby authorizes OPCO to proceed with other work (including without limitation, design, engineering, bid specification activities, and installation activities) necessary for the establishment of the New Transformer Bank at the Kammer Station, pursuant to the scope of work described in Appendix A (except for those items identified as “TrAILCo Responsibilities”) of this Agreement and Figure 2 of this Agreement.~~

~~1.3 TrAILCo shall be responsible for performing those items listed as “TrAILCo Responsibilities” in Appendix A. TrAILCo shall coordinate its activities with those of OPCO.~~

~~2. METERING~~

~~The Meters and Data Acquisition System (“DAS”) equipment for the New Transformer Bank shall be installed by OPCO as described in Appendix C. OPCO will provide TrAILCo with a port from any OPCO DAS Remote Terminal Unit (“RTU”) installed in conjunction with the Existing Transformer Bank replacement. If required by TrAILCo, OPCO shall provide TrAILCo a port from the DAS RTU, and TrAILCo shall supply a dedicated communication link for DAS real-time communication with the Allegheny Power control center. In addition, OPCO will provide a means for the remote interrogation of the New Transformer Bank’s metering using the OPCO MV-90 remote system.~~

~~3. SCHEDULE~~

- ~~3.1 Each Party shall perform its work in accordance with the schedule set forth in Appendix B, except as adjusted either (a) for Force Majeure pursuant to Section 12 or (b) by mutual agreement of the Parties.~~
- ~~3.2 If TrAILCo delays the Existing Transformer Bank replacement project's in-service date beyond October 2009, OPCO reserves the right to re-evaluate the feasibility, cost estimates, and the timing of the new in-service date to coordinate availability of personnel and the timing of outages necessary to replace the Existing Transformer Bank consistent with the new in-service date.~~

~~4. PROGRESS REPORTING~~

~~OPCO shall keep TrAILCo and PJM informed, via monthly progress reports sent to TrAILCo's and PJM's designated representatives, as to the progress, reconciled to the project budget, of the engineering, design, and construction activities performed under this Agreement.~~

~~5. COMPENSATION; PAYMENT~~

- ~~5.1 TrAILCo shall pay OPCO for all actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank replacement at Kammer Station. The actual cost of the Existing Transformer Bank replacement will include OPCO overheads.~~
- ~~5.2 Appendix B provides the cost estimates for the installation of the New Transformer Bank, as well as a payment schedule, including gross-up tax amount, if any, in accordance with Section 6 below. TrAILCo shall pay OPCO the amount of \$22,166,700 according to the cost estimates and payment schedule described in Appendix B. Notwithstanding such estimates, the final cost of the Existing Transformer Bank replacement will be based on the total actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank replacement.~~
- ~~5.3 Within thirty days after completion of all activities to be undertaken by OPCO under this Agreement, OPCO shall prepare a statement of the total actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank replacement (the "Final Statement"). If the total actual costs and expenses set forth on the Final Statement exceed the amounts previously paid by TrAILCo, then within thirty days after delivery of the Final Statement to TrAILCo, TrAILCo shall pay the difference, with interest, between the money previously paid to OPCO by TrAILCo and the actual costs and expenses. If the total amounts previously paid by TrAILCo exceed the amount of the total actual costs and expenses, then within thirty days after delivery of the Final Statement to TrAILCo, OPCO shall refund to TrAILCo the difference, with interest, between the money previously paid to OPCO and the actual costs and expenses. If payment is owed by a party pursuant to the foregoing, interest shall accrue at~~

~~LIBOR +20 basis points from the date of the delivery of the Final Statement until payment by OPCO or TrAILCo as applicable. For purposes of this Section, "LIBOR" means BBA USD 1 Month LIBOR, as published daily by the British Bankers Association and available on Bloomberg.~~

~~6. TAXES~~

- ~~6.1 The Parties intend that all costs paid by TrAILCo to OPCO pursuant to Paragraph 5.2 above shall be non taxable for federal and state income tax purposes as these payments are for the labor to install TrAILCo's property for which OPCO will be reimbursed. Consequently, these are nontaxable noncapital expenditures to OPCO and not subject to tax under IRC Section 118(b).~~
- ~~6.2 TrAILCo agrees that if the IRS or state tax agency asserts costs paid by TrAILCo to OPCO for Appendix A facilities to be a contribution in aid of construction ("CIAC"), to reimburse OPCO for the net present value of the income tax effect of the CIAC (a "Tax Effect Recovery Factor" or "TERF"), including any interest and penalty charges imposed upon OPCO by the IRS and/or state tax agencies. The TERF shall be computed in accordance with FERC rules, which reflect the net present value of the depreciation deductions that OPCO will receive over the life of the property.~~
- ~~6.3 TrAILCo reserves the right to require OPCO to submit an IRS private letter ruling request on the tax treatment of any payments by TrAILCo to OPCO under this Agreement (which TrAILCo will prepare and submit at TrAILCo's expense). OPCO agrees to cooperate in the submission of such ruling request, and OPCO shall have the right to review and comment on the request prior to its submission and to participate in any conference of right with the IRS regarding the request. In the event that a ruling is received from the IRS to the effect that TrAILCo's payments to OPCO are not taxable, OPCO shall refund to TrAILCo the TERF, together with any interest received thereon from the IRS or any state taxing agencies.~~

~~7. TERM AND TERMINATION~~

- ~~7.1 This Agreement shall become effective on the Effective Date.~~
- ~~7.2 In the event of a default by a Party hereto and such Party fails to cure such breach within ten days after notice from any of the other Parties, the other Parties, in addition to pursuing any other remedy, may elect to terminate this Agreement and the work being performed hereunder by giving written notice of termination to the defaulting Party.~~
- ~~7.3 If any Party terminates pursuant to Section 7.2, OPCO shall refund to TrAILCo the difference between the amounts paid to OPCO and actual costs and expenses incurred, including interest and OPCO overheads, or invoice TrAILCo the balance due, if the actual costs and expenses~~

~~incurred by OPCO (including OPCO overheads) exceed payment made by TrAILCo. TrAILCo shall pay any such invoice within thirty days after receipt.~~

- ~~7.4 If TrAILCo cancels the Agreement following the modification of relaying at the Kammer Station or any other OPCO affected stations or any other modification to the OPCO transmission system needed to facilitate the Existing Transformer Bank replacement, TrAILCo shall not be entitled to any reimbursement for costs related to such modifications.~~

~~8. PERMITS AND ACCESS~~

~~OPCO shall secure all permits required to perform its work required by this Agreement. TrAILCo shall secure all permits required to perform its work required by this Agreement, including the acquisition and transportation of the New Transformer Bank. To the extent applicable for the work to be performed under this Agreement, TrAILCo shall provide OPCO access to its facilities.~~

~~9. LIMITED WARRANTY~~

- ~~9.1 OPCO warrants that, unless specified or agreed to otherwise, all equipment supplied by OPCO shall be new, and all such equipment and labor shall be free from defects in material and workmanship for 12 months from completion of the work. OPCO shall repair or replace, at OPCO's option, any such equipment or labor found to be defective during the warranty period as long as TrAILCo has notified OPCO of such defect within a reasonable time and has properly maintained and operated the equipment.~~

- ~~9.2 The above repair or replacement warranty sets forth OPCO's sole and exclusive liability and TrAILCo's sole and exclusive remedy for all claims, whether arising out of contract, tort (including negligence), strict liability or any other cause or form of action, based on failure of, or defect in, goods or services provided under this Agreement.~~

- ~~9.3 OPCO EXPRESSLY EXCLUDES ANY AND ALL WARRANTIES EITHER EXPRESSED OR IMPLIED, WHICH MIGHT ARISE UNDER LAW OR EQUITY OR CUSTOM OF TRADE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR SPECIFIED OR INTENDED PURPOSE.~~

~~10. LIMITATION OF LIABILITY~~

- ~~10.1 Neither OPCO, its affiliated companies nor its subcontractors shall be liable, whether arising out of contract, tort (including negligence), strict liability, or from any other cause or form of action whatsoever, for loss of anticipated profits, loss by reason of plant or other facility~~

~~shutdown, non-operation or increased expense of operation, service interruption, cost of purchased or replacement power, claims of any of the TrAILCo's customers, subcontractors, vendors or suppliers, cost of money, loss of use of capital or revenue, fines or penalties assessed or levied against TrAILCo by any governmental agency or arising out of OPCO's performance of services or supply of goods or out of or in connection with TrAILCo's use, or inability to use, the information, apparatus, method or process resulting from these services or for any special, incidental or consequential loss or damage of any nature, whether similar to those enumerated above, arising at any time or from any cause whatsoever.~~

~~10.2 The total liability of OPCO, its affiliated companies and its subcontractors, whether arising out of contract, tort (including negligence), strict liability, or any other cause or form of action, shall not exceed the amounts actually paid by TrAILCo to OPCO pursuant to Section 5.~~

~~11. INFORMATION; CONFIDENTIALITY~~

~~11.1 "Confidential Information" means any proprietary information or knowledge possessed by a Party which is confidential and commercially valuable. If provided in written form, the Party disclosing the Confidential Information (the "Disclosing Party") shall clearly and conspicuously identify the information as "confidential" at the time of disclosure, or if provided in another form, the Disclosing Party shall confirm it as confidential in writing within ten days after the date of the disclosure. Notwithstanding anything to the contrary in this Section, Confidential Information will not include information that: (a) has become part of the public domain other than by acts or omissions of the Party receiving information (the "Recipient"), (b) to the Recipient's knowledge has been furnished or made known to the Recipient by third persons (other than those acting on behalf of the Disclosing Party) as a matter of legal right and without restriction on disclosure or use, (c) was in the Recipient's possession prior to disclosure by the Disclosing Party, or (d) is independently developed by officers, employees, affiliates, agents, attorneys, and other advisors (collectively "Representatives") of the Recipient without access to Confidential Information.~~

~~11.2 The Recipient agrees that it will hold in confidence and will not disclose or use except in connection with the performance of this Agreement any Confidential Information belonging to the Disclosing Party for the period ending one year following completion of construction; provided, however, that the Recipient may disclose Confidential Information to the extent such disclosure is necessary or convenient as part of any regulatory proceeding in which Recipient or one of its affiliates is a party subject to a protective order or such other remedy as the Recipient may consider appropriate in the circumstances; and further provided, that the Recipient will provide such Confidential Information only to its Representatives for purposes of meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. The Recipient agrees to be responsible for any breach of the confidentiality obligations under this Agreement by its Representatives.~~

~~11.3 If Recipient is required pursuant to applicable law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact that the Confidential Information has been made available to the recipient, the Recipient will (unless prohibited by law from doing so) promptly advise the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the Recipient may disclose the Confidential Information which the Recipient is legally required to disclose without any liability to the Disclosing Party and such disclosure shall not be a breach of this Section.~~

~~12. FORCE MAJEURE~~

~~12.1 A Party shall not be liable for loss or damage resulting from (a) any delay in performance within the time specified or (b) failure to perform its contractual obligations, in whole or in part, insofar as such delay or nonperformance is caused by Force Majeure as defined in Section 12.2, provided that the Party provides written notice within fifteen days of the Force Majeure event to the other Parties of the circumstances giving rise to such delay or nonperformance. A Party shall not be excused from its obligations to make payments under this Agreement because of Force Majeure.~~

~~12.2 "Force Majeure" means the occurrence of an unforeseen event beyond reasonable control of a Party which disrupts, hinders, or otherwise delays the performance of its contractual obligations, including but not limited to the following: acts of God; war; act of public enemy; acts of civil or military authorities; riots, civil commotion, sabotage, strikes; floods, fires or other violent natural disasters; epidemics; quarantine restrictions; embargoes; unavoidable delays in procuring necessary materials, labor, equipment, services or facilities; act(s), by any government, governmental body or instrumentality, regulatory agency or PJM (including delay or failure to act in the issuance of approvals, permits or licenses); and acts, including delays or failure to act, of the other Parties.~~

~~12.3 In the event of a delay in performance caused by Force Majeure, the time for the delayed Party's performance shall be extended by such length of time as may be reasonably necessary to compensate for any such delay. The Party encountering the Force Majeure will exercise commercially reasonable efforts to keep delays in performance to a minimum, except that settlements of labor disputes shall be within its sole discretion.~~

~~13. RECORDS OF ACCOUNTING~~

~~OPCO shall maintain its normal cost accounting records as required for proper financial management of the work. Upon reasonable advance notice, OPCO will make these accounting records available to TrAILCo for inspection during normal business hours.~~

~~14. USE OF AMERICAN ELECTRIC POWER RESOURCES~~

~~OPCO will provide services under this Agreement by using a mix of subcontractors, suppliers and consultants (collectively "Subcontractors") and the resources of its affiliated companies in the American Electric Power System, including the American Electric Power Service Corporation. OPCO and its affiliated companies have agreed upon the portions of the total compensation required to be paid under this Agreement, and OPCO shall be responsible for paying such compensation to its affiliated companies. Only OPCO shall be responsible for liabilities and failure to perform under this Agreement, and any liability resulting from such failure shall constitute the aggregate liability of OPCO, and its affiliated companies. All releases and disclaimers of liability shall include OPCO and its affiliated companies and its Subcontractors.~~

~~15. GENERAL~~

~~15.1 Notices~~

~~Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail, facsimile transmission, by any courier service which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:~~

~~If to OPCO:— Michael Heyeck
Senior Vice President—Transmission
American Electric Power Service
Corporation
700 Morrison Road
Gahanna, Ohio 43230
Facsimile: (614) 552-2602
E-Mail: mheyeck@aep.com~~

~~with copy to:— Jeffrey D. Cross
Deputy General Counsel
American Electric Power Service
Corporation
1 Riverside Plaza~~

~~Columbus, Ohio 43215-2373~~

~~Facsimile: (614) 716-2014~~

~~E-Mail: jdcross@aep.com~~

~~If to TrAILCo:~~

~~John P. Syner~~

~~General Manager, Transmission
Planning~~

~~800 Cabin Hill Drive~~

~~Greensburg, PA 15601~~

~~Facsimile: (724) 830-5443~~

~~E-Mail:~~

~~jsyner@alleghenypower.com~~

~~with copy to:—~~

~~Kathryn L. Patton~~

~~Deputy General Counsel~~

~~800 Cabin Hill Drive~~

~~Greensburg, PA 15601~~

~~Facsimile: (724) 838-6894~~

~~E-Mail: kpatton@alleghenyenergy.com~~

~~Any notices delivered by e-mail shall be confirmed with one of the methods of delivery identified above or by regular US mail, postage prepaid. Any notices will be sent to the address or facsimile number when permitted as specified in this Agreement or to such other address or facsimile number for a Party as it may specify in writing to the other Party from time to time. Any notice properly given to the proper address will be deemed to have been when dispatched.~~

~~15.2 Interest on Overdue Amounts~~

~~Any amount due to a party under this Agreement will earn interest accruing daily from the deadline for payment thereof until paid at the lesser of (i) an annual rate equal to the Prime Rate from time to time plus 2 percentage points, or (ii) the maximum rate allowed by Applicable Law.~~

~~15.3 Amendment~~

~~No amendment to this Agreement will be valid or binding unless and until reduced to writing and executed by each Party's authorized representative.~~

~~15.4 Assignment~~

~~None of the Parties may assign any of its rights or delegate any of its duties under this Agreement to any Person without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.~~

~~15.5 Relationship of Parties~~

~~Except as expressly and specifically provided herein, none of the Parties will be deemed by virtue of this Agreement to be an employee or agent of the other Parties. Any and all joint venture or partnership status between the Parties by virtue of this Agreement is hereby expressly denied.~~

~~15.6 Merger and Integration; Binding on Successors; No Third Party Beneficiaries~~

~~This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, containing such matters, including that certain Limited Notice to Proceed between the Parties dated as of June 1, 2008 and any purchase orders issued by TrAILCo thereunder. No Party will be liable or bound to the other Parties in any manner by any warranties, representations, or covenants other than those set forth in this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.~~

~~15.7 Survival~~

~~Any provision specifically designated in this Agreement to survive the termination hereof and (unless otherwise expressly provided) any other provision which, by its nature, necessarily may become performable by a Party after termination of this Agreement will survive termination of this Agreement.~~

~~—————15.8— Forbearance and Waiver~~

~~Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.~~

~~—————15.9— Partial Invalidity~~

~~Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.~~

~~—————15.10— Governing Law; Jurisdiction and Venue~~

~~The interpretation and construction of this Agreement and the rights of the Parties hereunder will be interpreted, construed, and governed by the laws of the State of West Virginia, without regard to its conflicts of law principles.~~

~~—————15.11— Construction~~

~~This Agreement was prepared jointly by the Parties, and no rule that it be construed against the drafter will have any application in its construction or interpretation.~~

~~—————15.12— Multiple Counterparts~~

~~This Agreement may be executed by the Parties in multiple original counterparts, and each such counterpart will constitute an original hereof.~~

~~American Electric Power Service—
Corporation as agent for Ohio Power
Company~~

~~Trans-Allegheny Interstate
Line
Company~~

Good
Utility
Practice”–
shall mean
any of the
practices,
methods[**T**
he
remainder
of this page
is

By: _____

By: _____

~~intentionally left blank.~~

~~The next page of this document is the signature page.]~~

~~Executed to be effective as provided above:~~

Title: _____

Name: _____

Name: _____
Title: _____

Figure 1 Kammer Station Simplified One-line Diagram

Transformer Bank #200 Replacement Project at the Kammer Station

Existing Configuration

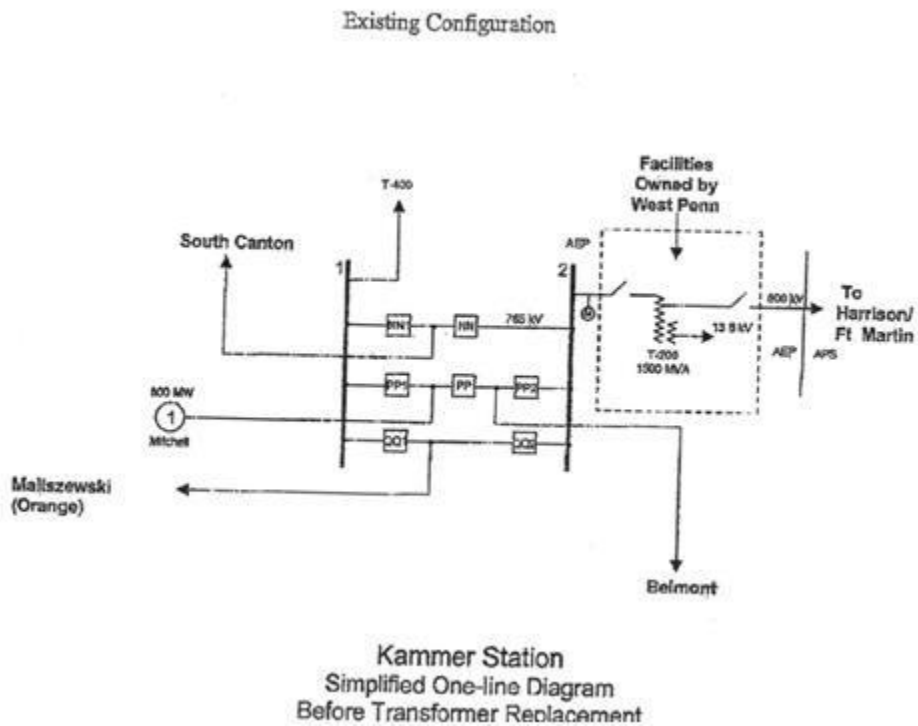
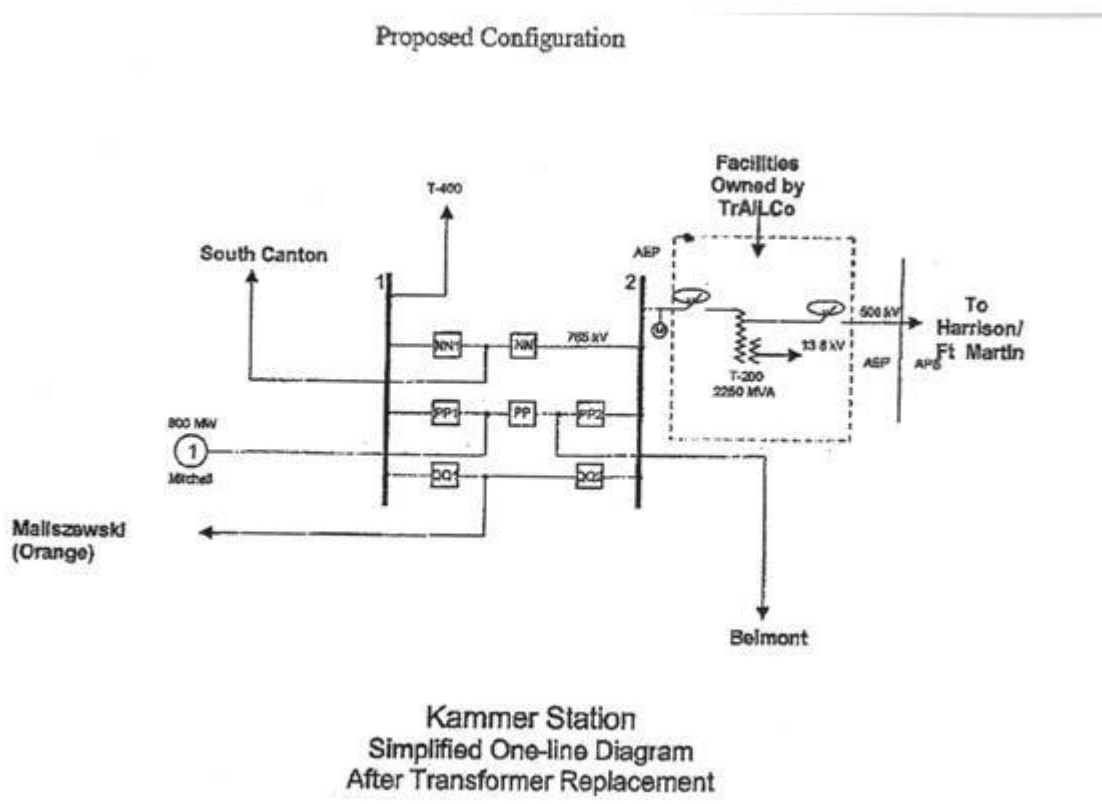


Figure 2

Kammer Station Simplified One-line Diagram

Transformer Bank #200 Replacement Project at the Kammer Station

Proposed Configuration



Appendix A Scope of Work

Description of Responsibilities With Respect to the Transformer Bank #200 Replacement Project At the Kammer Station

OPCO Responsibilities:

- ~~Replace existing Kammer Transformer Bank #200, 1500 MVA (consisting of 3 765/500/138 kV, 500 MVA single phase autotransformers and 1 spare) with a new 2250 MVA Transformer Bank (consisting of 3 765/500/138 kV, 750 MVA single phase autotransformers and 1 spare)~~
- ~~Engineering and design~~
- ~~Expand Kammer Station to accommodate New Transformer Bank while the Existing Transformer Bank stays in service~~
- ~~Grading and fill work required to expand station~~
- ~~Modify station entrance road to accommodate delivery of new autotransformers~~
- ~~Install new ground grid in expanded station area~~
- ~~Provide lightning protection in expanded station area~~
- ~~Extend main 765 kV high bus #2~~
- ~~Construct 765 kV low bus with motorized 765 kV single phase transformer disconnect switches~~
- ~~Construct 500 kV connecting bus with motorized 500 kV, single phase transformer disconnect switches~~
- ~~Install new 500 kV line carrier relaying equipment~~
- ~~Construct four foundations for new autotransformers~~
- ~~Assemble the 4 new autotransformers with coolers, oil, surge arresters, jumpers, and control cable connections~~
- ~~Construct 765 kV and 500 kV spare transformer connecting buses~~
- ~~Construct Tertiary and Neutral Bus connections for new autotransformers~~
- ~~Construct oil containment for transformers~~
- ~~Construct 500 kV self-supporting dead end take off structure~~
- ~~Install new service center for transformer bank~~
- ~~Install connections to transformers, station service, service center, and control house~~
- ~~Install new transformer protective relay package~~
- ~~Install new 765 kV interconnection metering~~
- ~~Replace existing Remote Terminal Unit (RTU)~~
- ~~Install fencing around extended station yard~~

TrAILCo Responsibilities:

- ~~Purchase the 4 new single phase 765/500/138 kV, 750 MVA autotransformers~~

- ~~Deliver the 4 new single phase transformers to the new transformer foundations~~

Appendix B

~~Estimate of Cost, Construction and Payment Schedules With Transformer Bank #200 Replacement Project~~

~~At the Kammer Station~~

~~Estimate of Cost~~

~~Total Estimated Cost: \$22,166,700~~

~~Construction Schedule~~

~~Proposed Engineering/Construction Schedule~~

Task	Start	Complete
Engineer Site work	1/2/08	5/15/08
Bid Site work	5/19/08	5/30/08
Construct Site work Phase 1	6/16/08	10/21/08
Move Ormet 138 kV Circuit	10/22/08	11/11/08
Construct Site work Phase 2	10/22/08	4/7/09
Station Engineering Bid Documents	1/14/08	10/17/08
Station Engineering Construction Documents	10/20/08	12/2/08
Bid Station Construction	10/20/08	11/7/08
Below Grade Construction	4/8/09	6/16/09

~~Above-Grade Construction~~ ~~6/17/09~~ ~~10/2/09~~

~~Delivery dates to Kammer Station of new banks - 4/29/09, 5/14/09, 6/4/09, and 6/18/09~~

Appendix B (cont'd)

Payment/Schedule

Date	Payment
Date of Agreement Signing	\$3,060,117
5/27/08 Mobilization	\$4,500,000
10/21/08 Phase 1 Site Work Complete	\$2,535,151
4/7/09 Phase 2 Site Work Complete	\$2,800,000
6/16/09 Subgrade Construction Complete	\$3,998,662
10/2/09 Topside Construction Complete	\$2,720,700
Final (Punchlist) Completion	\$2,552,070
Total Estimate	\$22,166,700

Appendix C

~~Metering and DAS Equipment Installation Guidelines~~

~~Pursuant to Appendix II and Appendix III of the AEP-AP Composite Interconnection Agreement, effective January 1, 2006, accepted by FERC in Docket No. ER06-397.~~

~~ATTACHMENT 2~~

~~Relocation Reimbursement Agreement~~

~~Between~~

~~American Electric Power Service Corporation~~

~~As agent for~~

~~Wheeling Power Company~~

~~And~~

~~Trans-Allegheny Interstate Line Company~~

~~RELOCATION REIMBURSEMENT AGREEMENT~~

~~This **Relocation Reimbursement Agreement** (the "Agreement"), dated as of August [] 2008 (the "Effective Date"), is made by and among **American Electric Power Service Corporation**, as agent for **Wheeling Power Company** ("Wheeling"), and **Trans-Allegheny Interstate Line Company** ("TrAILCo"). Wheeling and TrAILCo are sometimes hereinafter referred to as a "Party" or collectively as the "Parties".~~

~~RECITALS~~

- ~~A. West Penn Power Company, doing business as Allegheny Power ("West Penn") owns a 1500 MVA 765/500 kV transformer bank #200 (the "Existing Transformer Bank") located at Ohio Power Company's 765/500 kV Kammer Station (the "Kammer Station").~~
- ~~B. West Penn and TrAILCo have agreed that the Existing Transformer Bank should be replaced with a new 2250 MVA transformer bank consisting of 3 750 MVA single phase units and a spare 750 MVA single phase unit ("New Transformer Bank"). Replacement of the Existing Transformer Bank is necessary because of the age of the units, loading concerns, frequent real time congestion, and the lack of a spare due to the failure of one of the 500 MVA single phase units. The replacement of the Existing Transformer Bank was approved by PJM Interconnection, L.L.C. ("PJM") as part of its Regional Transmission Expansion Plan process. PJM has directed West Penn to make arrangements to replace the Existing Transformer Bank by October 2009.~~
- ~~C. Contemporaneously with this Agreement, American Electric Power Service Corporation, as agent for Ohio Power Company ("OPCO") and West Penn Power Company, doing business as Allegheny Power ("West Penn") have entered into a Construction Agreement for the removal and disposal of the Existing Transformer Bank (the "OPCO West Penn Construction Agreement"). In addition, contemporaneously with this Agreement, OPCO and TrAILCo have entered into a Construction Agreement pursuant to which OPCO will install the New Transformer Bank (the "OPCO TrAILCo Construction Agreement").~~
- ~~D. In connection with removal of the Existing Transformer Bank and installation of the New Transformer, certain Wheeling facilities will need to be removed or relocated, subject to reimbursement by TrAILCo.~~
- ~~E. Wheeling is willing to remove and relocate its facilities subject to the terms and conditions set forth below.~~

~~**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**~~

~~1. SCOPE OF WORK~~

- ~~1.1 Appendix A provides a scope of work associated with the Existing Transformer Bank replacement that will be performed by Wheeling, subject to reimbursement of costs by TrAILCo. Figure 1 and Figure 2 provide one line diagrams of the Existing Transformer Bank and proposed configurations of the New Transformer Bank.~~
- ~~1.2 At the request of TrAILCo, Wheeling and/or its affiliates have previously commenced engineering for the site work. TrAILCo hereby authorizes Wheeling to proceed with the activities identified in Appendix A.~~
- ~~1.3 To the extent applicable, TrAILCo shall coordinate its activities with those of Wheeling.~~

~~2. SCHEDULE~~

~~Wheeling shall perform its responsibilities in accordance with the schedule set forth in Appendix B, except as adjusted (a) for Force Majeure pursuant to Section 11 or (b) by mutual agreement of the Parties.~~

~~3. PROGRESS REPORTING~~

~~Wheeling shall keep TrAILCo and PJM informed, via monthly progress reports sent to TrAILCo's and PJM's designated representatives, as to the progress, reconciled to the "Estimate of Cost" in Appendix B, of the activities performed under this Agreement; provided, however, that this obligation will be considered satisfied to the extent that OPCO includes this information in its progress reports.~~

~~4. COMPENSATION; PAYMENT~~

- ~~4.1 TrAILCo shall pay Wheeling for all actual costs and expenses incurred by Wheeling associated with the activities identified in Appendix A of this Agreement. The actual cost of such activities will include Wheeling overheads.~~
- ~~4.2 Appendix B provides the cost estimates for Wheeling's activities, as well as a payment schedule, including gross-up tax amount, if any in accordance with Section 5 below. TrAILCo shall pay Wheeling the amount of \$5,284,015 according to the cost estimates and payment schedule described in Appendix B. Notwithstanding such estimates, the final cost of Wheeling's activities will be based on the total actual costs and expenses incurred by Wheeling associated with the Existing Transformer Bank replacement.~~
- ~~4.3 Within thirty days after completion of all activities to be undertaken by Wheeling under this Agreement, Wheeling shall prepare a statement of the total actual costs and expenses incurred~~

~~by Wheeling associated with the Existing Transformer Bank replacement (the “Final Statement”). If the total actual costs and expenses set forth on the Final Statement exceed the amounts previously paid by TrAILCo, then within thirty days after delivery of the Final Statement to TrAILCo, TrAILCo shall pay the difference, with interest, between the money previously paid to Wheeling by TrAILCo and the actual costs and expenses. If the total amounts previously paid by TrAILCo exceed the amount of the total actual costs and expenses, then within thirty days after delivery of the Final Statement to TrAILCo, Wheeling shall refund to TrAILCo the difference, with interest, between the money previously paid to Wheeling and the actual costs and expenses. If payment is owed by a party pursuant to the foregoing, interest shall accrue at LIBOR +20 basis points from the date of the delivery of the Final Statement until payment by Wheeling or TrAILCo as applicable. For purposes of this Section, “LIBOR” means BBA USD 1 Month LIBOR, as published daily by the British Bankers Association and available on Bloomberg.~~

~~5. TAXES~~

~~TrAILCo agrees to reimburse Wheeling for the net present value of the income tax effect of the contribution in aid of construction (a “Tax Effect Recovery Factor” or “TERF”), including any interest and penalty charges imposed upon Wheeling by the Internal Revenue Service (“IRS”) and/or state tax agencies. The TERF shall be computed in accordance with FERC rules, which reflect the net present value of the depreciation deductions that Wheeling will receive over the life of the property. TrAILCo reserves the right to require Wheeling to submit an IRS private letter ruling request on the tax treatment of any payments by TrAILCo to Wheeling under this Agreement (which TrAILCo will prepare and submit at TrAILCo’s expense). Wheeling agrees to cooperate in the submission of such ruling request, and Wheeling shall have the right to review and comment on the request prior to its submission and to participate in any conference of right with the IRS regarding the request. In the event that a ruling is received from the IRS to the effect that TrAILCo’s payments to Wheeling are not taxable, Wheeling shall refund to TrAILCo the TERF, together with any interest received thereon from the IRS or any state taxing agencies.~~

~~6. TERM AND TERMINATION~~

~~6.1 This Agreement shall become effective on the Effective Date.~~

~~6.2 In the event of a default by a Party hereto and such Party fails to cure such breach within ten days after notice from any of the other Parties, the other Parties, in addition to pursuing any other remedy, may elect to terminate this Agreement and the work being performed hereunder by giving written notice of termination to the defaulting Party.~~

~~6.3 If any Party terminates pursuant to Section 6.2, Wheeling shall refund to TrAILCo the difference between the amounts paid to Wheeling and actual costs and expenses incurred, including~~

~~interest and Wheeling overheads, or invoice TrAILCo the balance due, if the actual costs and expenses incurred by Wheeling (including Wheeling overheads) exceed payment made by TrAILCo. TrAILCo shall pay any such invoice within thirty days after receipt.~~

~~6.4 If TrAILCo cancels the Agreement following the modification of relaying at the Kammer Station or any other AEP affected stations or any other modification to the AEP transmission system needed to facilitate the Existing Transformer Bank replacement, TrAILCo shall not be entitled to any reimbursement for costs related to such modifications.~~

~~7. — PERMITS AND ACCESS~~

~~Wheeling shall secure all permits required to perform its work required by this Agreement. To the extent applicable for the work to be performed under this Agreement, TrAILCo shall provide Wheeling access to its facilities.~~

~~8. — LIMITED WARRANTY~~

~~WHEELING EXPRESSLY EXCLUDES ANY AND ALL WARRANTIES EITHER EXPRESSED OR IMPLIED, WHICH MIGHT ARISE UNDER LAW OR EQUITY OR CUSTOM OF TRADE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR SPECIFIED OR INTENDED PURPOSE.~~

~~9. — LIMITATION OF LIABILITY~~

~~9.1 Neither Wheeling, its affiliated companies nor its subcontractors shall be liable, whether arising out of contract, tort (including negligence), strict liability, or from any other cause or form of action whatsoever, for loss of anticipated profits, loss by reason of plant or other facility shutdown, non-operation or increased expense of operation, service interruption, cost of purchased or replacement power, claims of any of the TrAILCo's customers, subcontractors, vendors or suppliers, cost of money, loss of use of capital or revenue, fines or penalties assessed or levied against TrAILCo by any governmental agency or arising out of Wheeling's performance of services or supply of goods or out of or in connection with TrAILCo's use, or inability to use, the information, apparatus, method or process resulting from these services or for any special, incidental or consequential loss or damage of any nature, whether similar to those enumerated above, arising at any time or from any cause whatsoever.~~

~~9.2 The total liability of Wheeling, its affiliated companies and its subcontractors, whether arising out of contract, tort (including negligence), strict liability, or any other cause or form of action, shall not exceed the amounts actually paid by TrAILCo to Wheeling pursuant to Section 4.~~

~~10. — INFORMATION; CONFIDENTIALITY~~

~~10.1 “Confidential Information” means any proprietary information or knowledge possessed by a Party which is confidential and commercially valuable. If provided in written form, the Party disclosing the Confidential Information (the “Disclosing Party”) shall clearly and conspicuously identify the information as “confidential” at the time of disclosure, or if provided in another form, the Disclosing Party shall confirm it as confidential in writing within ten days after the date of the disclosure. Notwithstanding anything to the contrary in this Section, Confidential Information will not include information that: (a) has become part of the public domain other than by acts or omissions of the Party receiving information (the “Recipient”), (b) to the Recipient’s knowledge has been furnished or made known to the Recipient by third persons (other than those acting on behalf of the Disclosing Party) as a matter of legal right and without restriction on disclosure or use, (c) was in the Recipient’s possession prior to disclosure by the Disclosing Party, or (d) is independently developed by officers, employees, affiliates, agents, attorneys, and other advisors (collectively “Representatives”) of the Recipient without access to Confidential Information.~~

~~10.2 The recipient agrees that it will hold in confidence and will not disclose or use except in connection with the performance of this Agreement any Confidential Information belonging to the Disclosing Party for the period ending one year following completion of construction; provided, however, that the Recipient may disclose Confidential Information to the extent such disclosure is necessary or convenient as part of any regulatory proceeding in which Recipient or one of its affiliates is a party subject to a protective order or such other remedy as the Recipient may consider appropriate in the circumstances; and further provided, that the Recipient will provide such Confidential Information only to its Representatives for purposes of meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. The Recipient agrees to be responsible for any breach of the confidentiality obligations under this Agreement by its Representatives.~~

~~10.3 If Recipient is required pursuant to applicable law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact that the Confidential Information has been made available to the recipient, the Recipient will (unless prohibited by law from doing so) promptly advise the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the Recipient may disclose the Confidential Information which the Recipient is legally required to disclose without any liability to the Disclosing Party and such disclosure shall not be a breach of this Section.~~

~~11. — FORCE MAJEURE~~

~~11.1 A Party shall not be liable for loss or damage resulting from (a) any delay in performance within the time specified or (b) failure to perform its contractual obligations, in whole or in part, insofar as such delay or nonperformance is caused by Force Majeure as defined in Section 11.2, provided that the Party provides written notice within fifteen days of the Force Majeure~~

~~event to the other Parties of the circumstances giving rise to such delay or nonperformance. A Party shall not be excused from its obligations to make payments under this Agreement because of Force Majeure.~~

~~11.2 “Force Majeure” means the occurrence of an unforeseen event beyond reasonable control of a Party which disrupts, hinders, or otherwise delays the performance of its contractual obligations, including but not limited to the following: acts of God; war; act of public enemy; acts of civil or military authorities; riots, civil commotion, sabotage, strikes; floods, fires or other violent natural disasters; epidemics; quarantine restrictions; embargoes; unavoidable delays in procuring necessary materials, labor, equipment, services or facilities; act(s), by any government, governmental body or instrumentality, regulatory agency or PJM (including delay or failure to act in the issuance of approvals, permits or licenses); and acts, including delays or failure to act, of the other Parties.~~

~~11.3 In the event of a delay in performance caused by Force Majeure, the time for the delayed Party’s performance shall be extended by such length of time as may be reasonably necessary to compensate for any such delay. The Party encountering the Force Majeure will exercise commercially reasonable efforts to keep delays in performance to a minimum, except that settlements of labor disputes shall be within its sole discretion.~~

~~12. RECORDS OF ACCOUNTING~~

~~Wheeling shall maintain its normal cost accounting records as required for proper financial management of the work. Upon reasonable advance notice, Wheeling will make these accounting records available to TrAILCo for inspection during normal business hours.~~

~~13. USE OF AMERICAN ELECTRIC POWER RESOURCES~~

~~Wheeling will provide services under this Agreement by using a mix of subcontractors, suppliers and consultants (collectively “Subcontractors”) and the resources of its affiliated companies in the American Electric Power System, including the American Electric Power Service Corporation. Wheeling and its affiliated companies have agreed upon the portions of the total compensation required to be paid under this Agreement, and Wheeling shall be responsible for paying such compensation to its affiliated companies. Only Wheeling shall be responsible for liabilities and failure to perform under this Agreement, and any liability resulting from such failure shall constitute the aggregate liability of Wheeling, and its affiliated companies. All releases and disclaimers of liability shall include Wheeling and its affiliated companies and its Subcontractors.~~

~~14. GENERAL~~

~~14.1 Notices~~

~~Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail, facsimile transmission, by any courier service~~

~~which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:~~

~~_____ If to Wheeling: _____ Michael Heyeck
Senior Vice President — Transmission
American Electric Power Service Corporation
700 Morrison Road
Gahanna, Ohio 43230
Facsimile: (614) 552-2602
E-Mail: mheyek@aep.com~~

~~_____ with copy to: _____ Jeffrey D. Cross
Deputy General Counsel
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215-2373
Facsimile: (614) 716-2014
E-Mail: jdcross@aep.com~~

~~_____ If to TrAILCo: _____ John P. Syner
General Manager, Transmission Planning
800 Cabin Hill Drive
Greensburg, PA 15601
Facsimile: (724) 830-5443
E-Mail: jsyner@alleghenypower.com~~

~~_____ with copy to: _____ Kathryn L. Patton
Deputy General Counsel
800 Cabin Hill Drive
Greensburg PA 15601
Facsimile: (724) 838-6894
E-Mail: kpatton@alleghenyenergy.com~~

~~Any notices delivered by e-mail shall be confirmed with one of the methods of delivery identified above or by regular U.S. mail, postage prepaid. Any notices will be sent to the address or facsimile number when permitted as specified in this Agreement or to such other address or facsimile number for a Party as it may specify in writing to the other Party from time to time. Any notice properly given to the proper address will be deemed to have been given when dispatched.~~

~~14.2 Interest on Overdue Amounts~~

~~Any amount due to a party under this Agreement will earn interest accruing daily from the deadline for payment thereof until paid at the lesser of (i) an annual rate equal to the Prime Rate from time to time plus 2 percentage points, or (ii) the maximum rate allowed by Applicable Law.~~

~~14.3—Amendment~~

~~No amendment to this Agreement will be valid or binding unless and until reduced to writing and executed by each Party's authorized representative.~~

~~14.4—Assignment~~

~~None of the Parties may assign any of its rights or delegate any of its duties under this Agreement to any Person without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.~~

~~14.5—Relationship of Parties~~

~~Except as expressly and specifically provided herein, none of the Parties will be deemed by virtue of this Agreement to be an employee or agent of the other Parties. Any and all joint venture or partnership status between the Parties by virtue of this Agreement is hereby expressly denied.~~

~~14.6 Merger and Integration; Binding on Successors; No Third Party Beneficiaries~~

~~This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters, including that certain Limited Notice to Proceed between the Parties dated as of June 1, 2008 and any purchase orders issued by TrAILCo thereunder. No Party will be liable or bound to the other Parties in any manner by any warranties, representations, or covenants other than those set forth in this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.~~

~~14.7—Survival~~

~~Any provision specifically designated in this Agreement to survive the termination hereof and (unless otherwise expressly provided) any other provision which, by its nature, necessarily may become performable by a Party after termination of this Agreement will survive termination of this Agreement.~~

~~14.8—Forbearance and Waiver~~

~~Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.~~

~~14.9 Partial Invalidity~~

~~Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.~~

~~14.10 Governing Law; Jurisdiction and Venue~~

~~The interpretation and construction of this Agreement and the rights of the Parties hereunder will be interpreted, construed, and governed by the laws of the State of West Virginia, without regard to its conflicts of law principles.~~

~~14.11 Construction~~

~~This Agreement was prepared jointly by the Parties, and no rule that it be construed against the drafter will have any application in its construction or interpretation.~~

~~14.12 Multiple Counterparts~~

~~This Agreement may be executed by the Parties in multiple original counterparts, and each such counterpart will constitute an original hereof.~~

**~~{The remainder of this page is intentionally left blank.
The next page of this document is the signature page.}~~**

Executed to be effective as provided above:

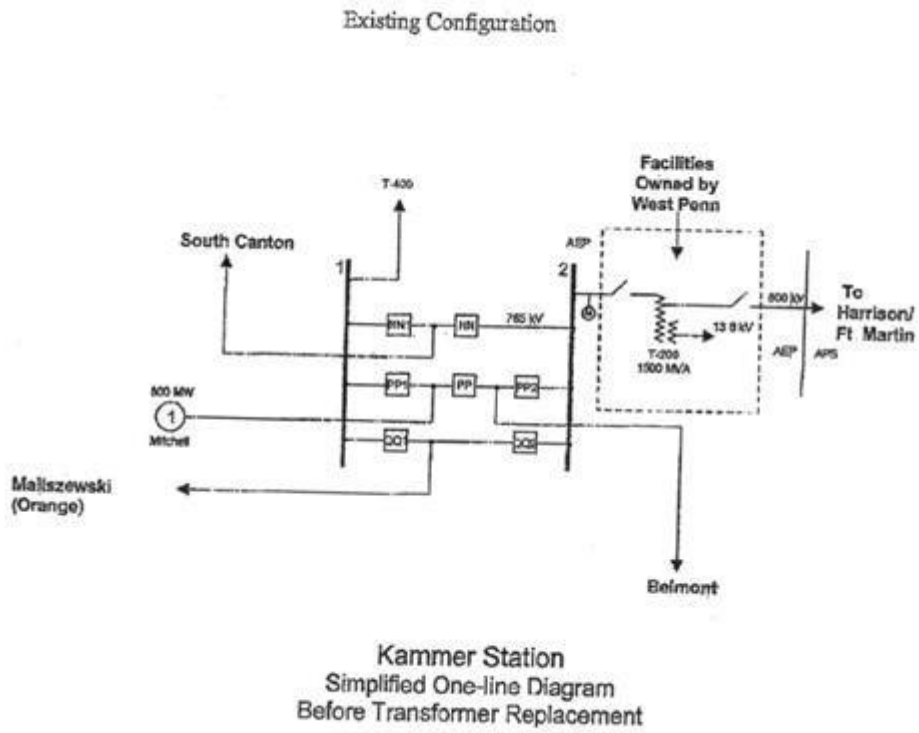
~~American Electric Power Service Corporation as agen for Wheeling~~ ~~Trans-Allegheny Interstate Linee Company~~

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: _____

Figure 1 Kammer 765 kV Station

Simplified One-line Diagram

Transformer Bank #200 Replacement Project at Kammer Station



~~Appendix A~~

~~Scope of Work~~

~~Wheeling Facilities to be Relocated or Removed~~

~~As part of the Transformer Bank #200 Replacement Project~~

~~At the Kammer Station~~

- ~~• Relocate transmission structures 3A-5A on Kammer Ormet #1 138 kV line~~
- ~~• Remove existing structures 3A-5A and associated conductor and shield wire~~
- ~~• Relocate first structure on Kammer Fort Martin 500 kV tie line~~
- ~~• Remove existing first structure on Kammer Fort Martin 500 kV tie line~~

Appendix B

**Estimate of Cost, Construction Schedule, and Payment Schedules
With Transformer Bank #200 Replacement Project At the Kammer Station**

Estimate of Cost	
-For Scope of Work Appendix A—	\$ 4,214,400
-Tax Gross Up 25.38%—	\$ 1,069,615
Total Estimated Cost:—	\$ 5,284,015

Construction Schedule

**Proposed
Engineering/Construction
Schedule**

Task	Start	Complete
Engineer T Line Relocations	5/1/08	7/1/09
Move Ormet 138 kV Circuit (First and Second bullets of Appendix A)	10/22/08	11/11/08

~~Move 500 kV Line (Third and Fourth bullets of Appendix A)~~

~~9/1/09~~

~~10/1/09~~

Payment Schedule

Date

Payment

~~Date of Agreement Signing~~

~~\$1,303,804~~

~~10/21/08 (Move Ormet 138 kV Circuit)~~

~~\$2,285,988~~

~~6/16/09 (Move 500 kV Line—Engineering and Commitments)~~

~~\$1,694,223~~

ATTACHMENT 3

Construction Agreement

Between

American Electric Power Service Corporation

As agent for

Ohio Power Company

And

West Penn Power Company as doing business as Allegheny Power

CONSTRUCTION AGREEMENT

This ~~Construction Agreement~~ (the "Agreement"), dated as of August [___], 2008 (the "Effective Date"), is made by and among ~~American Electric Power Service Corporation, as agent for Ohio Power Company ("OPCO"), and West Penn Power Company, doing business as Allegheny Power ("West Penn").~~ OPCO and West Penn are sometimes hereinafter referred to as a "Party" or collectively as the "Parties."

RECITALS

- A. ~~West Penn owns a 1500 MVA 765/500 kV transformer bank #200 (the "Existing Transformer Bank") located at OPCO's 765/500 kV Kammer Station (the "Kammer Station"). The Existing Transformer Bank is operated and maintained by OPCO, at West Penn's expense.~~
- B. ~~Contemporaneously with this Agreement, OPCO and Trans Allegheny Interstate Line Company ("TrAILCo") have entered into a Construction Agreement to replace the Existing Transformer Bank with a new 2250 MVA transformer bank consisting of 3750 MVA single phase units and a spare 750 MVA single phase unit ("New Transformer Bank"). In addition, contemporaneously with this Agreement, American Electric Power Service Corporation as agent for Wheeling Power Company ("Wheeling") and TrAILCo have entered into a Relocation Reimbursement Agreement pursuant to which TrAILCo will reimburse Wheeling for moving certain transmission lines necessitated by the removal of the Existing Transformer Bank.~~
- C. ~~TrAILCo will own the New Transformer Bank, and the Parties contemplate that OPCO will operate and maintain, at TrAILCo's expense, the New Transformer Bank, subject to a separate agreement to be negotiated between OPCO and TrAILCo. Replacement of the Existing Transformer Bank is necessary because of the age of the units, loading concerns, frequent real time congestion, and the lack of a spare due to the failure of one of the 500 MVA single phase units. The replacement of the Existing Transformer Bank was approved by PJM Interconnection, L.L.C. ("PJM") as part of its Regional Transmission Expansion Plan process. PJM has directed West Penn to make arrangements to replace the Existing Transformer Bank by October 2009.~~
- D. ~~West Penn shall be responsible for transporting the Existing Transformer Bank away from the Kammer Station and disposing of the Existing Transformer Bank.~~
- E. ~~OPCO and West Penn are parties to that certain Interconnection Agreement effective January 1, 2006, as subsequently modified ("Interconnection Agreement"), approved by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER06-397. The Interconnection Agreement was filed with the FERC as Service Agreement No. 1395 under the PJM Open Access Transmission Tariff, with PJM as signatory to the Agreement.~~
- F. ~~OPCO developed the cost estimates and the scope of work requirements to remove the Existing Transformer Bank, install the New Transformer Bank at the Kammer Station, and perform other work that will be necessary to accommodate the New Transformer Bank.~~

~~G. OPCO is willing to commence such activities subject to the terms and conditions set forth below:~~

~~**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**~~

~~1. SCOPE OF WORK~~

~~1.1 Appendix A provides a scope of work and description of Kammer Station facilities that are or will be provided to West Penn by OPCO, at West Penn's cost, associated with the Existing Transformer Bank removal. Figure 1 and Figure 2 provide one line diagrams of the Existing Transformer Bank and proposed configurations of the New Transformer Bank.~~

~~1.2 West Penn shall be responsible for performing those items listed as "West Penn Responsibilities" in Appendix A. West Penn shall coordinate its activities with those of OPCO and Wheeling.~~

~~2. SCHEDULE~~

~~2.1 OPCO and West Penn shall each perform their responsibilities in accordance with the schedule set forth in Appendix B, except as adjusted either (a) for Force Majeure pursuant to Section 11 or (b) by mutual agreement of the Parties.~~

~~2.2 If West Penn delays the Existing Transformer Bank replacement project's in-service date beyond October 2009, OPCO reserves the right to re-evaluate the feasibility, cost estimates, and the timing of the new in-service date to coordinate availability of personnel and the timing of outages necessary to replace the Existing Transformer Bank consistent with the new in-service date.~~

~~3. PROGRESS REPORTING~~

~~OPCO shall keep West Penn and PJM informed, via monthly progress reports sent to West Penn's and PJM's designated representatives, as to the progress, reconciled to the "Estimate of Cost" in Appendix A, of the activities performed under this Agreement.~~

~~4. COMPENSATION; PAYMENT~~

~~4.1 West Penn shall pay OPCO for all actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank removal at Kammer Station. The actual cost of the Existing Transformer Bank removal will include OPCO overheads.~~

~~4.2 Appendix B provides the cost estimates for the removal of the Existing Transformer Bank as well as a payment schedule, including gross up tax amount, if any, in accordance with Section 5 below. West Penn shall pay OPCO the amount of \$100,000 according to the cost estimates and payment schedule described in Appendix B. Notwithstanding such estimates, the final cost of the Existing Transformer Bank removal will be based on the total actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank removal.~~

~~4.3 Within thirty days after completion of all activities to be undertaken by OPCO under this Agreement, OPCO shall prepare a statement of the total actual costs and expenses incurred by OPCO associated with the Existing Transformer Bank removal (the “Final Statement”). If the total actual costs and expenses set forth on the Final Statement exceed the amounts previously paid by West Penn, then within thirty days after delivery of the Final Statement to West Penn, West Penn shall pay the difference, with interest, between the money previously paid to OPCO by West Penn and the actual costs and expenses. If the total amounts previously paid by West Penn exceed the amount of the total actual costs and expenses, then within thirty days after delivery of the Final Statement to West Penn, OPCO shall refund to West Penn the difference, with interest, between the money previously paid to OPCO and the actual costs and expenses. If payment is owed by a party pursuant to the foregoing, interest shall accrue at LIBOR + 20 basis points from the date of the delivery of the Final Statement until payment by OPCO or West Penn as applicable. For purposes of this Section, “LIBOR” means BBA USD 1 Month LIBOR, as published daily by the British Bankers Association and available on Bloomberg.~~

~~5. TAXES~~

~~5.1 The Parties intend that all costs paid by West Penn to OPCO pursuant to Paragraph 4.2 above shall be non-taxable for federal and state income tax purposes as these payments are for the labor to remove West Penn’s property for which OPCO will be reimbursed. Consequently, these are nontaxable noncapital expenditures to OPCO and not subject to tax under IRC Section 118(b).~~

~~5.2 West Penn agrees that if the IRS or state tax agency asserts costs paid by West Penn to OPCO to be a contribution in aid of construction (“CAIC”), to reimburse OPCO for the net present value of the income tax effect of the CAIC (a “Tax Effect Recovery Factor” or “TERF”), including any interest and penalty charges imposed upon OPCO by the IRS and/or state tax agencies. The TERF shall be computed in accordance with FERC rules, which reflect the net present value of the depreciation deductions that OPCO will receive over the life of the property.~~

~~5.3 West Penn reserves the right to require OPCO to submit an IRS private letter ruling request on the tax treatment of any payments by West Penn to OPCO under this Agreement (which West Penn will prepare and submit at West Penn’s expense). OPCO agrees to cooperate in the submission of such ruling request, and OPCO shall have the right to review and comment on~~

~~the request prior to its submission and to participate in any conference of right with the IRS regarding the request. In the event that a ruling is received from the IRS to the effect that West Penn's payments to OPCO are not taxable, OPCO shall refund to West Penn the TERF, together with any interest received thereon from the IRS or any state taxing agencies.~~

~~6. TERM AND TERMINATION~~

~~6.1 This Agreement shall become effective on the Effective Date.~~

~~6.2 In the event of a default by a Party hereto and such Party fails to cure such breach within ten days after notice from any of the other Parties, the other Parties, in addition to pursuing any other remedy, may elect to terminate this Agreement and the work being performed hereunder by giving written notice of termination to the defaulting Party.~~

~~6.3 If any Party terminates pursuant to Section 6.2, OPCO shall refund to West Penn the difference between the amounts paid to OPCO and actual costs and expenses incurred, including interest and OPCO overheads, or invoice West Penn the balance due, if the actual costs and expenses incurred by OPCO (including OPCO overheads) exceed payment made by West Penn. West Penn shall pay any such invoice within thirty days after receipt.~~

~~6.4 If West Penn cancels the Agreement following the modification of relaying at the Kammer Station or any other OPCO affected stations or any other modification to the OPCO transmission system needed to facilitate the Existing Transformer Bank replacement, West Penn shall not be entitled to any reimbursement for costs related to such modifications.~~

~~7. PERMITS AND ACCESS~~

~~OPCO shall secure all permits required to perform its work required by this Agreement. West Penn shall secure all permits required to perform its work required by this Agreement, including the disposal and transportation of the Existing Transformer Bank. To the extent applicable for the work to be performed under this Agreement, West Penn shall provide OPCO access to its facilities.~~

~~8. LIMITED WARRANTY~~

~~OPCO EXPRESSLY EXCLUDES ANY AND ALL WARRANTIES EITHER EXPRESSED OR IMPLIED, WHICH MIGHT ARISE UNDER LAW OR EQUITY OR CUSTOM OF TRADE, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR SPECIFIED OR INTENDED PURPOSE.~~

~~9. LIMITATION OF LIABILITY~~

~~9.1 Neither OPCO, its affiliated companies nor its subcontractors shall be liable, whether arising out of contract, tort (including negligence), strict liability, or from any other cause or form of action whatsoever, for loss of anticipated profits, loss by reason of plant or other facility shutdown, non-operation or increased expense of operation, service interruption, cost of purchased or replacement power, claims of any of West Penn's customers, subcontractors, vendors or suppliers, cost of money, loss of use of capital or revenue, fines or penalties assessed or levied against West Penn by any governmental agency or arising out of OPCO's performance of services or supply of goods or out of or in connection with West Penn's use, or inability to use, the information, apparatus, method or process resulting from these services or for any special, incidental or consequential loss or damage of any nature, whether similar to those enumerated above, arising at any time or from any cause whatsoever.~~

~~9.2 The total liability of OPCO, its affiliated companies and its subcontractors, whether arising out of contract, tort (including negligence), strict liability, or any other cause or form of action, shall not exceed the amounts actually paid by West Penn to OPCO pursuant to Section 4.~~

~~10. INFORMATION; CONFIDENTIALITY~~

~~10.1 "Confidential Information" means any proprietary information or knowledge possessed by a Party which is confidential and commercially valuable. If provided in written form, the Party disclosing the Confidential Information (the "Disclosing Party") shall clearly and conspicuously identify the information as "confidential" at the time of disclosure, or if provided in another form, the Disclosing Party shall confirm it as confidential in writing within ten days after the date of the disclosure. Notwithstanding anything to the contrary in this Section, Confidential Information will not include information that: (a) has become part of the public domain other than by acts or omissions of the Party receiving information (the "Recipient"), (b) to the Recipient's knowledge has been furnished or made known to the Recipient by third persons (other than those acting on behalf of the Disclosing Party) as a matter of legal right and without restriction on disclosure or use, (c) was in the Recipient's possession prior to disclosure by the Disclosing Party, or (d) is independently developed by officers, employees, affiliates, agents, attorneys, and other advisors (collectively "Representatives") of the Recipient without access to Confidential Information.~~

~~10.2 The Recipient agrees that it will hold in confidence and will not disclose or use except in connection with the performance of this Agreement any Confidential Information belonging to the Disclosing Party for the period ending one year following completion of construction; provided, however, that the Recipient may disclose Confidential Information to the extent such disclosure is necessary or convenient as part of any regulatory proceeding in which Recipient or one of its affiliates is a party subject to a protective order or such other remedy as the Recipient may consider appropriate in the circumstances; and further provided, that the Recipient will provide such Confidential Information only to its Representatives for purposes~~

~~of meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. The Recipient agrees to be responsible for any breach of the confidentiality obligations under this Agreement by its Representatives.~~

~~10.3 If Recipient is required pursuant to applicable law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact that the Confidential Information has been made available to the recipient, the Recipient will (unless prohibited by law from doing so) promptly advise the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the Recipient may disclose the Confidential Information which the Recipient is legally required to disclose without any liability to the Disclosing Party and such disclosure shall not be a breach of this Section.~~

~~11. FORCE MAJEURE~~

~~11.1 A Party shall not be liable for loss or damage resulting from (a) any delay in performance within the time specified, or (b) failure to perform its contractual obligations, in whole or in part, insofar as such delay or nonperformance is caused by Force Majeure as defined in Section 11.2, provided that the Party provides written notice within fifteen days of the Force Majeure event to the other Parties of the circumstances giving rise to such delay or nonperformance. A Party shall not be excused from its obligations to make payments under this Agreement because of Force Majeure.~~

~~11.2 "Force Majeure" means the occurrence of an unforeseen event beyond reasonable control of a Party which disrupts, hinders, or otherwise delays the performance of its contractual obligations, including but not limited to the following: acts of God; war; act of public enemy; acts of civil or military authorities; riots, civil commotion, sabotage, strikes; floods, fires or other violent natural disasters; epidemics; quarantine restrictions; embargoes; unavoidable delays in procuring necessary materials, labor, equipment, services or facilities; act(s), by any government, governmental body or instrumentality, regulatory agency or PJM (including delay or failure to act in the issuance of approvals, permits or licenses); and acts, including delays or failure to act, of the other Parties.~~

~~11.3 In the event of a delay in performance caused by Force Majeure, the time for the delayed Party's performance shall be extended by such length of time as may be reasonably necessary to compensate for any such delay. The Party encountering the Force Majeure will exercise commercially reasonable efforts to keep delays in performance to a minimum, except that settlements of labor disputes shall be within its sole discretion.~~

~~12. RECORDS OF ACCOUNTING~~

~~OPCO shall maintain its normal cost accounting records as required for proper financial management of the work. Upon reasonable advance notice, OPCO will make these accounting records available to West Penn for inspection during normal business hours.~~

~~13. USE OF AMERICAN ELECTRIC POWER RESOURCES~~

~~OPCO will provide services under this Agreement by using a mix of subcontractors, suppliers and consultants (collectively "Subcontractors") and the resources of its affiliated companies in the American Electric Power System, including the American Electric Power Service Corporation. OPCO and its affiliated companies have agreed upon the portions of the total compensation required to be paid under this Agreement, and OPCO shall be responsible for paying such compensation to its affiliated companies. Only OPCO shall be responsible for liabilities and failure to perform under this Agreement, and any liability resulting from such failure shall constitute the aggregate liability of OPCO, and its affiliated companies. All releases and disclaimers of liability shall include OPCO and its affiliated companies and its Subcontractors.~~

~~14. GENERAL~~

~~14.1 Notices~~

~~Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail, facsimile transmission, by any courier service which guarantees overnight, receipted delivery, or by U S Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:~~

~~If to OPCO: Michael Heyeek
Senior Vice President—Transmission
American Electric Power Service Corporation
700 Morrison Road
Gahanna, OH 43230
Facsimile: (614) 552-2602
E-mail: mheyek@aep.com~~

~~with copy to: Jeffrey D. Cross
Deputy General Counsel
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215-2373
Facsimile: (614) 716-2014
E-Mail: jdcross@aep.com~~

~~If to West Penn — John P. Syner
and/or TrAIL Co.: General Manager, Transmission Planning
800 Cabin Hill Drive
Greensburg, PA 15601
Facsimile: (724) 830-5443
E-Mail: jsyner@alleghenypower.com~~

~~with copy to: Kathryn L. Patton
Deputy General Counsel~~

~~800 Cabin Hill Drive
Greensburg, PA 15601
Facsimile: (724) 838-6894~~

~~E-mail: kpatton@alleghenyenergy.com~~

~~Any notices delivered by e-mail shall be confirmed with one of the methods of delivery identified above or by regular U.S. mail, postage prepaid. Any notices will be sent to the address or facsimile number when permitted as specified in this Agreement or to such other address or facsimile number for a Party as it may specify in writing to the other Party from time to time. Any notice properly given to the proper address will be deemed to have been given when dispatched.~~

~~14.2 Interest on Overdue Amounts~~

~~Any amount due to a party under this Agreement will earn interest accruing daily from the deadline for payment thereof until paid at the lesser of (i) an annual rate equal to the Prime Rate from time to time plus 2 percentage points, or (ii) the maximum rate allowed by Applicable Law.~~

~~14.3 Amendment~~

~~No amendment to this Agreement will be valid or binding unless and until reduced to writing and executed by each Party's authorized representative.~~

~~14.4 Assignment~~

~~None of the Parties may assign any of its rights or delegate any of its duties under this Agreement to any Person without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.~~

~~14.5 Relationship of Parties~~

~~Except as expressly and specifically provided herein, none of the Parties will be deemed by virtue of this Agreement to be an employee or agent of the other Parties. Any and all joint venture or partnership status between the Parties by virtue of this Agreement is hereby expressly denied.~~

~~————14.6 Merger and Integration; Binding on Successors; No Third Party Beneficiaries~~

~~This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters. No Party will be liable or bound to the other Parties in any manner by any warranties, representations, or covenants other than those set forth in this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.~~

~~————14.7— Survival~~

~~Any provision specifically designated in this Agreement to survive the termination hereof and (unless otherwise expressly provided) any other provision which, by its nature, necessarily may become performable by a Party after termination of this Agreement will survive termination of this Agreement.~~

~~————14.8— Forbearance and Waiver~~

~~Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.~~

~~————14.9— Partial Invalidity~~

~~Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.~~

~~————14.10 Governing Law; Jurisdiction and Venue~~

~~The interpretation and construction of this Agreement and the rights of the Parties hereunder will be interpreted, construed, and governed by the laws of the State of West Virginia, without regard to its conflicts of law principles.~~

~~————14.11— Construction~~

~~This Agreement was prepared jointly by the Parties, and no rule that it be construed against the drafter will have any application in its construction or interpretation.~~

~~——14.12 Multiple Counterparts:~~

~~This Agreement may be executed by the Parties in multiple original counterparts, and each such counterpart will constitute an original hereof.~~

~~**{The remainder of this page is intentionally left blank.
The next page of this document is the signature page.}**~~

Executed to be effective as provided above:

~~American Electric Power Service Corporation as agent for Ohio Power Company~~ ~~West Penn Power Company doing business as Allegheny Power Company~~

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: _____

Figure 1

Kammer Station

Simplified One-line Diagram

Transformer Bank #200 Replacement Project at the Kammer Station

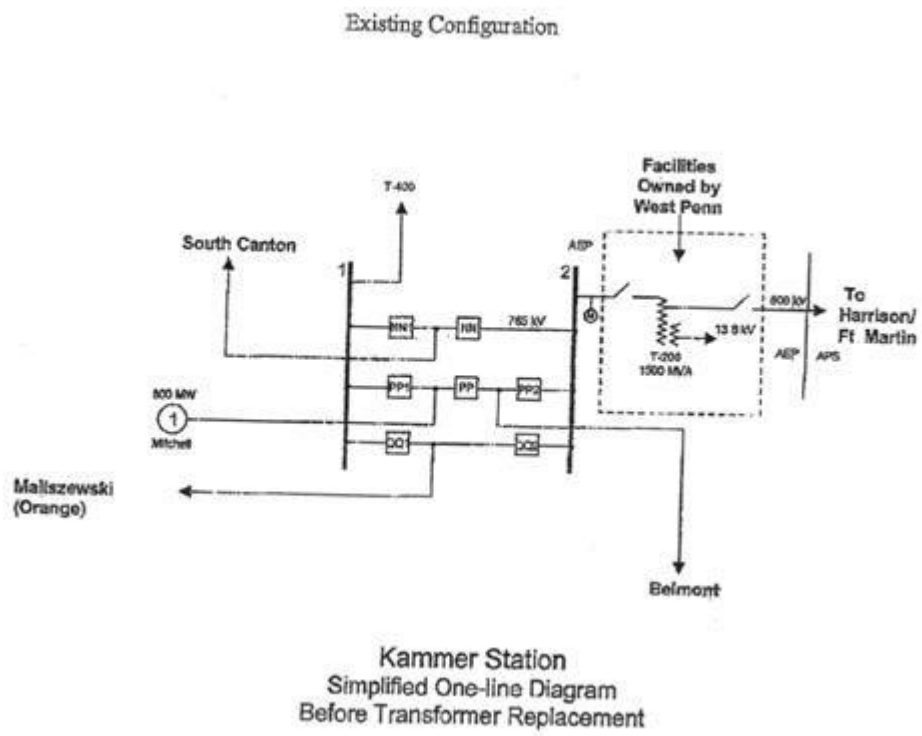
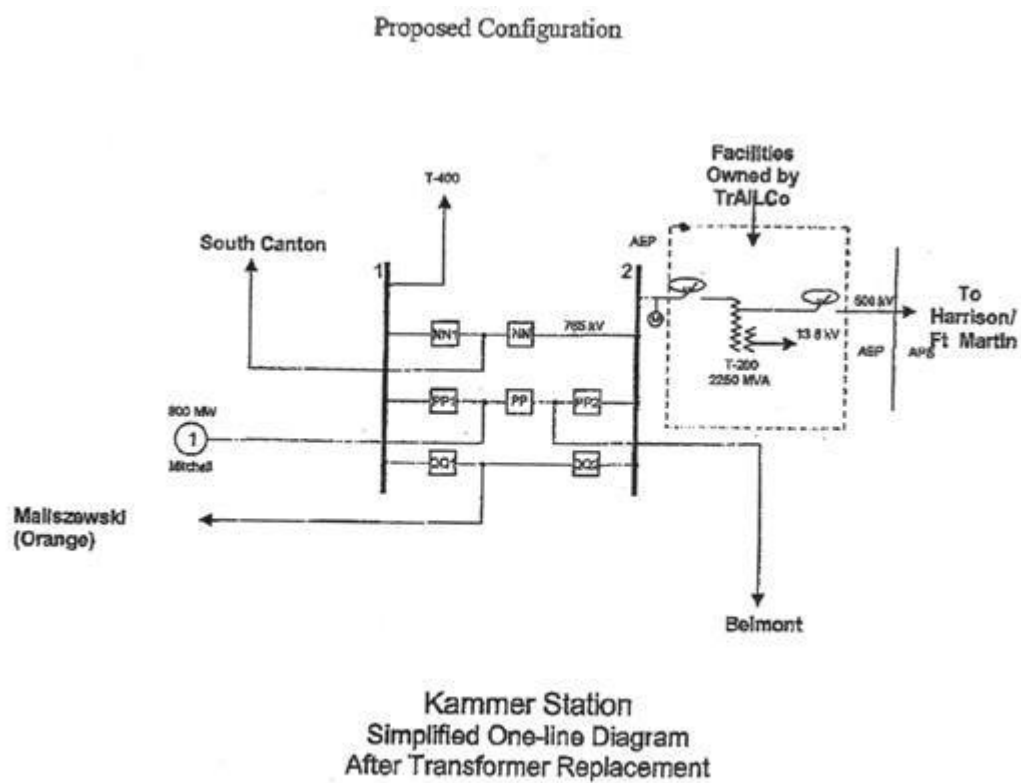


Figure 2

Kammer Station

Simplified One-line Diagram

Transformer Bank #200 Replacement Project at the Kammer Station



~~Appendix A~~

~~Scope of Work~~

~~Description of Responsibilities With Respect to the Transformer Bank #200 Replacement Project At the Kammer Station~~

~~OPCO Responsibilities:~~

- ~~• Remove Existing Transformer Bank from service~~
- ~~• Remove bus work and other equipment associated with the Existing Transformer Bank~~

~~West Penn Responsibilities:~~

- ~~• Transport of the Existing Transformer Bank away from the Kammer Station~~
- ~~• Dispose of the Existing Transformer Bank~~

~~9/1/09 Start of outage to remove
transformer from service~~

~~\$100,000~~

ATTACHMENT 4

Reimbursement Agreement

Between

~~Trans-Allegheny Interstate Line Company and~~

~~West Penn Power Company~~

REIMBURSEMENT AGREEMENT

~~This Reimbursement Agreement (the “Agreement”), dated as of April 6, 2011, is made by and among Trans Allegheny Interstate Line Company (“TrAILCo”), and West Penn Power Company (“West Penn”). TrAILCo and West Penn are sometimes hereinafter referred to as a “Party” or collectively as the “Parties”.~~

RECITALS

- ~~A. West Penn owned a 1500 MVA 765/500 kV transformer bank #200 (the “Existing Transformer Bank”) located at Ohio Power Company’s (“OPCO”) 765/500 kV Kammer Station (the “Kammer Station”). The Existing Transformer Bank was operated and maintained by OPCO, at West Penn’s expense.~~
- ~~B. The replacement of the Existing Transformer Bank was approved by PJM Interconnection, L.L.C. (“PJM”) as part of its Regional Transmission Expansion Plan process and PJM directed West Penn to make arrangements to replace the Existing Transformer Bank by October 2009. Replacement of the Existing Transformer Bank was determined to be necessary because of the age of the units, loading concerns, frequent real time congestion, and the lack of a spare due to the failure of one of the 500 MVA single phase units.~~
- ~~C. TrAILCo was designated to replace and own the Existing Transformer Bank with a new 2250 MVA transformer bank consisting of 3 750 MVA single phase units and a spare 750 MVA single phase unit (“New Transformer Bank”).~~
- ~~D. American Electric Power Service Corporation (“AEPSC”) as agent for Ohio Power Company (“OPCO”) and West Penn previously entered into a Construction Agreement for the removal and disposal of the Existing Transformer Bank. AEPSC as agent for OPCO and TrAILCo previously entered into a Construction Agreement to replace the Existing Transformer Bank with the New Transformer Bank. AEPSC as agent for Wheeling Power Company (“Wheeling”) and TrAILCo previously entered into a Relocation Reimbursement Agreement pursuant to which TrAILCo reimbursed Wheeling for moving certain transmission lines necessitated by the removal of the Existing Transformer Bank. These Construction Agreements and the Relocation Reimbursement Agreement fully described the work to be performed to replace the Existing Transformer Bank with the New Transformer Bank and were accepted for filing by the Federal Energy~~

Regulatory Commission (“FERC”) on February 6, 2009 in Docket No. ER09-84-000.

~~E. TrAILCo owns the New Transformer Bank, and OPCO will operate and maintain, at TrAILCo’s expense, the New Transformer Bank, subject to a separate agreement to be negotiated between OPCO and TrAILCo.~~

~~F. As set forth in the Construction Agreement entered into by AEPSC as agent for Wheeling, West Penn was responsible for transporting the Existing Transformer Bank away from the Kammer Station and disposing of the Existing Transformer Bank while TrAILCo was responsible for reimbursing West Penn for its costs incurred with the removal and disposal of the Existing Transformer Bank.~~

~~**NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:**~~

~~**1. COMPENSATION; PAYMENT**~~

~~1.1. TrAILCo shall reimburse West Penn for all actual costs and expenses incurred by West Penn associated with the removal and disposal of the Existing Transformer Bank removal at Kammer Station. Such actual costs are set forth in Appendix A, attached hereto and made a part hereof.~~

~~1.2. TrAILCo shall make the reimbursement described in Section 1.1 within sixty (60) days after the Effective Date.~~

~~1.3. Any amount due to a Party under this Agreement will earn interest accruing daily from the deadline for payment thereof until paid at the an annual rate equal to the prime interest rate (the base corporate loan interest rate) published in the Wall Street Journal from time to time plus 2 percentage points.~~

~~**2. TAXES**~~

~~2.1. The Parties intend that all costs paid by TrAILCo to West Penn pursuant to this Agreement shall be non-taxable for federal and state income tax purposes as these payments are for the removal and disposal of West Penn’s property and the Parties are affiliated.~~

~~2.2. TrAILCo agrees that if the Internal Revenue Service (“IRS”) or state tax agency asserts costs paid by TrAILCo to West Penn to be a contribution in aid of construction (“CIAC”), to reimburse West Penn for the net present value of the income tax effect of the CIAC (a “Tax Effect Recovery Factor” or “TERF”), including any interest and penalty charges imposed upon West Penn by the IRS and/or state tax agencies. The TERF shall be computed in accordance with FERC rules, which reflect the net present value of the~~

~~depreciation deductions that West Penn will receive over the life of the property.~~

~~2.3. TrAILCo reserves the right to require West Penn to submit an IRS private letter ruling request on the tax treatment of any payments by TrAILCo to West Penn under this Agreement (which TrAILCo will prepare and submit at TrAILCo's expense). West Penn agrees to cooperate in the submission of such ruling request, and West Penn shall have the right to review and comment on the request prior to its submission and to participate in any conference of right with the IRS regarding the request. In the event that a ruling is received from the IRS to the effect that TrAILCo's payments to West Penn are not taxable, West Penn shall refund to TrAILCo the TERF, together with any interest received thereon from the IRS or any state taxing agencies.~~

~~3. EFFECTIVE DATE~~

~~3.1. The Effective Date of this Agreement shall be the effective date authorized by FERC.~~

~~4. MISCELLANEOUS~~

~~4.1. West Penn shall maintain its normal cost accounting records as required for proper financial management of the work. Upon reasonable advance notice, West Penn will make these accounting records available to TrAILCo for inspection during normal business hours.~~

~~4.2. No amendment to this Agreement will be valid or binding unless and until reduced to writing and executed by each Party's authorized representative.~~

~~4.3. Neither Party may assign any of its rights or delegate any of its duties under this Agreement to any Person without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.~~

~~4.4. Except as expressly and specifically provided herein, none of the Parties will be deemed by virtue of this Agreement to be an employee or agent of the other Parties. Any and all joint venture or partnership status between the Parties by virtue of this Agreement is hereby expressly denied.~~

~~4.5. This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters. No Party will be liable or bound to the other Parties in any manner by any warranties, representations, or covenants other than those set forth in this Agreement. The terms and conditions of this Agreement will inure to~~

~~the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.~~

~~4.6. Any provision specifically designated in this Agreement to survive the termination hereof and (unless otherwise expressly provided) any other provision which, by its nature, necessarily may become performable by a Party after termination of this Agreement will survive termination of this Agreement.~~

~~4.7. Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.~~

~~4.8. Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.~~

~~4.9. The interpretation and construction of this Agreement and the rights of the Parties hereunder will be interpreted, construed, and governed by the laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law principles.~~

~~4.10. This Agreement was prepared jointly by the Parties, and no rule that it be construed against the drafter will have any application in its construction or interpretation.~~

~~Executed to be effective as provided above:~~

~~*Trans-Allegheny Interstate Line* _____ *West Penn Power Company*
Company~~

~~By: _____ By: _____
Name: Charles E. Jones Name: Charles E. Jones
Title: President Title: President~~

APPENDIX A

**All Actual Costs And Expenses Incurred By West Penn Associated With The Removal
And Disposal Of The Existing Transformer Bank Removal At Kammer Station.**

Net Value of Removed Assets	\$1,567,850.36
AEPSC Charge for Removal	\$300,000.00
West Penn's Costs for Removal	\$24,552.16
Salvage Value for Transformers	(\$359,235.30)
Total	\$1,533,167.22

~~ATTACHMENT 5~~

~~Engineering And Construction Agreement~~

~~Between~~

~~Ohio Power Company~~

~~And~~

~~Monongahela Power Company~~

~~ENGINEERING AND CONSTRUCTION AGREEMENT~~

~~This **Engineering and Construction Agreement** (the "Agreement"), dated as of April 13, 2011 (the "Effective Date"), is made by and between **Ohio Power Company** ("Ohio Power"), and **Monongahela Power Company** ("Mon Power"). Ohio Power and Mon Power are sometimes hereinafter referred to as a "Party" or collectively as the "Parties".~~

~~RECITALS~~

~~G. — Ohio Power and Mon Power are parties to that certain Interconnection Agreement effective January 1, 2006, as amended ("Interconnection Agreement") and accepted by the Federal Energy Regulatory Commission ("FERC") in Docket Nos. ER06-397 and ER09-84. The Interconnection Agreement was filed with FERC as Service Agreement No. 1395 under the PJM Open Access Transmission Tariff, with PJM as signatory to the~~

~~Agreement. The Parties contemplate that this Agreement will be incorporated into the Interconnection Agreement as Attachment 5.~~

~~H. Mon Power and Ohio Power each own a portion of the 138kV transmission line between Ohio Power's 138kV Tidd Station and Mon Power's 138kV Mahans Lane Station. The entire transmission line between the Ohio Power 138kV Tidd Station and Mon Power's 138kV Weirton Station is sometimes hereinafter referred to as the "138kV line".~~

~~I. Mon Power desires to upgrade the existing conductor to 954 MCM ACSR on Mon Power's portion of the 138 kV line from Mon Power's Weirton Station to Ohio Power's 138kV, style 14C, tower 36. Ohio Power's transmission tower 36 is sometimes hereinafter referred to as "Tower 36". In connection with reconductoring of the 138kV line, it has been determined that certain Ohio Power facilities will need to be modified and/or reconfigured, subject to reimbursement by Mon Power. The reconductoring and the modification of the facilities are collectively referred to herein as the "Project".~~

~~J. The Parties desire to proceed with the Project subject to the terms and conditions set forth below.~~

~~NOW, THEREFORE, the Parties hereby agree as follows:~~

~~1. DEFINITIONS; RULES OF CONSTRUCTION~~

~~1.1. Definitions. As used in this Agreement, terms defined in Exhibit 1.1 have the meanings set forth therein, and capitalized terms used herein or in Exhibit 1.1 not otherwise defined herein or in Exhibit 1.1 all have the meanings set forth in the Interconnection Agreement.~~

~~1.2. Rules of Construction. Unless the context of this Agreement requires otherwise, the plural includes the singular, the singular includes the plural, and "including" has the inclusive meaning of "including without limitation." The words "hereof", "herein", "hereby", "hereunder", and other similar terms of this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. All pronouns and any variations thereof will be deemed to refer to masculine, feminine, or neuter, singular, or plural, as the identity of the Person or Persons may require. Unless otherwise expressly provided, any agreement, instrument, or Applicable Law defined or referred to herein means such agreement or instrument or Applicable Law as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Applicable Law) by succession of comparable successor~~

law and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein.

~~2. DEVELOPMENT OF THE PROJECT~~

~~2.1. Scope of Work. The “Work” with respect to the Project is described in Schedule 2.1 and any attachments referenced therein. The Work will consist of the provision of all design, engineering, labor, materials, supplies, equipment rental, supervision, testing, and other activities necessary or appropriate for the completion of the Project in accordance with this Agreement.~~

~~2.2. Obligations of the Parties.~~

~~2.2.1. Each Party will undertake, directly or through its affiliates or contractors (or any combination thereof), the performance of its obligations with respect to the Work as indicated on Schedule 2.1. The Parties will exchange relevant information concerning the Project and the Work. Mon Power will design any Project Facilities that Mon Power will construct so as to render them compatible with Ohio Power’s existing transmission facilities in Ohio Power’s reasonable judgment. Ohio Power will have the right to review and approve Mon Power’s plans and specifications and construction of the Project Facilities to be constructed by Mon Power. No such review will constitute an acceptance.~~

~~2.2.2. Each Party will perform its obligations with respect to the Work for which it is responsible consistent with Applicable Law, applicable Governmental Approvals, Good Utility Practice, and applicable standards set out in the Interconnection Agreement. Except for any express warranties set out in this Agreement, EACH PARTY HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR GOOD AND WORKMANLIKE PERFORMANCE.~~

~~2.3. Completion and Commissioning of the Project Facilities. The Parties will use commercially reasonable efforts in accordance with the standards of performance set forth in Section 2.2.2 to complete the Work consistent with the Construction Schedule set out in Schedule 2.1 or any other date to which the Parties may subsequently agree. The Projected Completion Date will be extended to reflect any delays as a result of a force majeure event. Ohio Power will control the final connection and energization of the circuitry for the Project Facilities and Mon Power will reasonably cooperate with such activities.~~

~~2.4. Access and Land Rights. Upon reasonable notice and with supervision (or, in the case of emergency, without notice or supervision but in accordance with the standards of performance set forth in Section 2.2.2), either Party is hereby given the right to enter~~

~~upon the lands occupied by the other Party on a temporary basis as necessary to enable such Party to perform its obligations under this Agreement.~~

~~Neither Party will directly or indirectly do or permit any act or omission that would give rise, with respect to any obligation of such Party or any of its affiliates, subcontractors, or suppliers, to any lien or encumbrance on any real property interest or other property held by the other Party.~~

~~2.5. Permits. Mon Power shall secure all permits required to perform the Work.~~

~~2.6. Ownership of Project Facilities. The Parties agree that nothing in this Agreement is intended to alter the demarcation of ownership set forth in the Interconnection Agreement. Notwithstanding which Party performed the Work or procured the materials, the Parties agree that (a) Ohio Power will make all modifications to Tower 36 and (b) each Party will own the portion of conductor identified as being owned by the Party in the Interconnection Agreement.~~

~~3. COSTS~~

~~3.1. Responsibility for Costs~~

~~3.1.1. Mon Power will be responsible for all costs of the Work. Mon Power will reimburse Ohio Power for all of the actual costs and expenses incurred by Ohio Power in connection with the Project. An estimate of the amount of reimbursement to Ohio Power is set forth in Schedule 2.1.~~

~~3.1.2. Within 60 days after completion of all activities to be undertaken by Ohio Power under this Agreement, Ohio Power shall prepare and submit to Mon Power a statement of the total actual costs and expenses incurred by Ohio Power. Any such statement will be payable in full, without offset, abatement, or reduction for any reason, within 30 days of the date of invoice. If Mon Power in good faith disputes any portion of an invoice, Mon Power will (i) explain the basis for the dispute in writing to Ohio Power within 15 days of the date of the invoice and (ii) without prejudice to its claim for refund of any disputed amount, pay the entire portion of the invoiced amount on or before the due date stated on the invoice.~~

~~3.1.3. To the extent not contrary to any applicable tariff, costs invoiced under this Agreement may include all reasonable costs, charges, and expenses incurred by Ohio Power in connection with the relevant portion of the Work, including the costs of materials, equipment, and supplies from third parties, the costs at book value of materials and equipment withdrawn from Ohio Power's internal inventories (or those of its affiliates), transportation and storage costs, internal payroll and payroll loading factors, travel expenses, overhead factors, other reasonable internal costs, the costs to acquire land rights, third party expenses, sales and use taxes, fees and costs for Governmental Approvals, and other costs to which the Parties agree.~~

~~3.2. Information Concerning Costs. Ohio Power shall maintain its normal cost accounting records as required for proper management of the Work. On reasonable advance written notice, Mon Power will have the right to examine the pertinent records of Ohio Power as reasonably necessary to verify that costs invoiced pursuant to this Agreement were incurred in accordance with Good Utility Practice. Any such examination will be conducted during regular business hours at the offices of Ohio Power or its Affiliates. Mon Power will not have the right to examine the records pertaining to a particular invoice more than once or to examine the records pertaining to an invoice unless written notice of the examination is given within 24 months of the date of such invoice.~~

~~3.3. Tax Treatment of Costs. Section 5.6 of the Interconnection Agreement shall apply to the costs paid by Mon Power to Ohio Power for the Work.~~

~~4. INDEMNIFICATION~~

~~Subject to the other limitations set forth in this Agreement, each Party (an “Indemnifying Party”) will be liable to and will indemnify the other Party, its affiliates, and its or their officers, employees, agents and subcontractors (each an “Indemnified Person”) for any personal injuries suffered by third parties or damage to a third party’s tangible property, reasonable attorney fees and other costs and expenses of defense, and (with the approval of the Indemnifying Party) costs and expenses of settlement, in each case incurred by the Indemnified Person, arising in connection with the prosecution of the Work, to the extent such injuries or damage are caused by the negligence, gross negligence, strict liability in tort, or willful misconduct of the Indemnifying Party, its affiliates, or its or their officers, employees, agents or subcontractors but only to the extent the Indemnified Person Party is found liable to the third party. If such personal injury or property damage is caused by the joint or concurrent negligence of the Parties or their affiliates, or their officers, employees, agents, or subcontractors, the Parties and Indemnified Persons will bear the loss in proportion to their or their affiliates’, officers’, employees’, agents’ or subcontractors’ degree of negligence. The indemnity provided in this Article 4 will apply only if the Party or person seeking indemnity gives the Indemnifying Party prompt notice of any claim.~~

~~5. FORCE MAJEURE~~

~~Neither Party will be liable for any act or event beyond the reasonable control of the Party claiming force majeure, and occurring or arising without the fault of negligence of such Party, which materially prevents, delays, or impairs the performance of such Party’s obligations under this Agreement, including storm, flood, lightning, earthquake, fire, explosion, failure or imminent failure of equipment or facilities, civil unrest, strike, boycott, or other labor disturbance, sabotage, terrorism, war, national emergency, or the operation of any Applicable Law that is not an~~

~~adjudication against such Party for violation of Applicable Law. The Party claiming force majeure is obligated to use commercially reasonable efforts in accordance with the standards of performance set forth in Section 2.2.2 to remedy the cause thereof as diligently and expeditiously as possible.~~

~~The provisions of this Article 5 will not excuse a Party from the prompt and full performance of any payment obligation under this Agreement. Additionally, no Party will be required by this Agreement to settle any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood that the settlement of strikes, walkouts, lockouts, or other labor disputes will be at the sole discretion of the Party having the difficulty.~~

~~A Party claiming force majeure will notify the other Party in writing or by telephone as soon as reasonably possible after the force majeure event but in event within 7 days of the determination that a force majeure event has occurred. Telephone notices will be confirmed in writing as soon as reasonably possible, and all written notices will describe the force majeure event, including the time and date that it occurred, the plan for mitigating or terminating its effects, and when it is reasonably expected to cease.~~

~~6. DEFAULT AND REMEDIES~~

~~6.1. Events of Default. An “Event of Default” will exist:~~

~~6.1.1. As to Mon Power upon Mon Power’s failure to promptly pay any amount due hereunder within 10 days following written notice of delinquency;~~

~~6.1.2. As to a Party if such Party fails to obtain or ceases to maintain any Governmental Approval necessary for such Party’s performance of this Agreement or the contemplated ownership or operation of the Project Facilities, or if any Governmental Authority shall have issued an order, decree, ruling, or other action restraining, enjoining, or otherwise prohibiting such Party’s performance of this Agreement or its contemplated ownership or operation of the Project Facilities;~~

~~6.1.3. As to a Party if that Party fails to fully cure its breach of any other obligation under this Agreement within 20 days following written notification of such breach or such longer period as may be reasonably necessary to cure such breach; or~~

~~6.1.4. As to a Party if it becomes Insolvent.~~

~~6.2. Termination. If an Event of Default in any material respect occurs as to a Party, the other Party will have the right to terminate the prosecution of the Work under this Agreement on 10 days written notice to the defaulting Party.~~

~~6.3. Other remedies.~~

~~6.3.1. If an Event of Default in any material respect occurs and while it persists with respect to a Party, the other Party may suspend its performance of this Agreement (other than its obligations to pay money) without prejudice to any other remedy that it may have under this Agreement or Applicable Law.~~

~~6.3.2. Whether or not a Party suspends performance or terminates this Agreement as a result of an Event of Default, such Party will be entitled to damages arising out of such Event of Default, subject to the limitations of Section 6.4.~~

~~6.4. Exclusions and Limitations of Damages. Except in the case of any liquidated damages allowed by this Agreement, in no event will either Party be liable under any provision of this Agreement for any economic or commercial losses or other special, indirect, incidental, consequential, punitive, or exemplary damages (including loss of profit or revenue, loss of use of equipment, cost of capital, or damage to reputation or relations) whether based in contract, tort, strict liability, statutory liability, or any other theory of liability. It is provided, however, that damages awarded to a third party are subject to indemnification to the extent provided in Article 4 whether or not they are described in this Section 6.4.~~

~~Except for amounts payable pursuant to Article 4 with respect to third party indemnification, the aggregate liability of Ohio Power for damages as a result of all Events of Default hereunder on the part of Ohio Power will not exceed the aggregate of all amounts invoiced by Ohio Power pursuant to Section 3.1.1.~~

~~7. CONFIDENTIALITY~~

~~7.1. “Confidential Information” means any proprietary information or knowledge possessed by a Party which is confidential and commercially valuable. If provided in written form, the Party disclosing the Confidential Information (the “Disclosing Party”) shall clearly and conspicuously identify the information as “confidential” at the time of disclosure, or if provided in another form, the Disclosing Party shall confirm it as confidential in writing within ten days after the date of the disclosure. Notwithstanding anything to the contrary in this Section, Confidential Information will not include information that: (a) has become part of the public domain other than by acts or omissions of the Party receiving information (the “Recipient”), (b) to the Recipient’s knowledge has been furnished or made known to the Recipient by third persons (other than those acting on behalf of the Disclosing Party) as a matter of legal right and without restriction on disclosure or use, (c) was in the Recipient’s possession prior to disclosure by the Disclosing Party, or (d) is independently developed by officers, employees, affiliates, agents, attorneys, and other advisors (collectively “Representatives”) of the Recipient without access to Confidential Information.~~

~~7.2. The Recipient agrees that it will hold in confidence and will not disclose or use except in connection with the performance of this Agreement any Confidential Information belonging to the Disclosing Party for the period ending one year following completion of construction; provided, however, that the Recipient may disclose Confidential Information to the extent such disclosure is necessary or convenient as part of any regulatory proceeding in which Recipient or one of its affiliates is a Party subject to a protective order or such other remedy as the Recipient may consider appropriate in the circumstances; and further provided, that the Recipient will provide such Confidential Information only to its Representatives for purposes of meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. The Recipient agrees to be responsible for any breach of the confidentiality obligations under this Agreement by its Representatives.~~

~~7.3. If Recipient is required pursuant to applicable law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact that the Confidential Information has been made available to the recipient, the Recipient will (unless prohibited by law from doing so) promptly advise the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the Recipient may disclose the Confidential Information which the Recipient is legally required to disclose without any liability to the Disclosing Party and such disclosure shall not be a breach of this Section.~~

~~8. OTHER PROVISIONS~~

~~8.1. Construction with Applicable Law. The rights and obligations of the Parties under this Agreement are subject to Applicable Law and any applicable tariff.~~

~~8.2. Notices. Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail (with confirmation of transfer to the addressee's domain), by any courier service which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:~~

~~If to Mon Power: -First Energy Corporation
 -Attention: Mike Thorn, Manager, Agreements Support
 -76 South Main Street
 -Akron, OH 44308
 -e-mail: mthorn@firstenergycorp.com~~

with copy to: ~~FE Legal~~
~~Attention: Anne Juterbock~~
~~76 South Main St.~~
~~Akron, OH 44308~~
~~e-mail: ajuterbock@firstenergycorp.com~~

If to Ohio Power: ~~American Electric Power~~
~~Attention: SVP, Transmission—Michael Heyeek~~
~~700 Morrison Rd~~
~~Gahanna, OH 43230~~
~~e-mail: mheyeeck@aep.com~~

with copy to: ~~American Electric Power~~
~~Attention: Mng. Dir., RTO & Public Policy—Dan Snider~~
~~1 Riverside Plaza~~
~~Columbus OH 43215~~
~~e-mail: dlsnider@aep.com~~

~~Any notices will be sent to the address or e-mail when permitted as specified in this Agreement or to such other address or e-mail for a Party as it may specify in writing to the other Party from time to time. Any notice properly given to the proper address will be deemed to have been given when dispatched.~~

~~8.3. Interest on Overdue Amounts. Any amount due to a Party under this Agreement shall accrue interest from, and including, the due date to, but excluding, the date of payment at a rate of interest per annum calculated in accordance with the methodology specified in the 18 C.F.R. § 35.19(a)(2)(iii). This provision will not be interpreted to preclude Ohio Power from also including in its reimbursable costs an amount to compensate Ohio Power for the time value of advances made by it.~~

~~8.4. Amendment. No amendment to this Agreement will be valid or binding unless and until reduced to writing and executed by each Party's authorized representative.~~

~~8.5. Assignment. Except as otherwise provided in this Agreement, neither Party may assign any of its rights or delegate any of its duties under this Agreement to any person without the prior written consent of the other Party. Notwithstanding the foregoing, a Party may without the prior consent of the other Party assign this Agreement to any of its affiliates or to any transmission joint venture of which it is then a member, whereupon such Party will be released of all obligations hereunder.~~

~~8.6. Merger and Integration; Binding on Successors; No Third Party Beneficiaries. This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters. No Party will be liable or bound to any Party in any manner by any warranties, representations, or covenants other than those set forth in or incorporated into this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.~~

~~8.7. Forbearance and Waiver. Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.~~

~~8.8. Partial Invalidity. Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.~~

~~8.9. Governing Law. The interpretation and construction of this Agreement and the rights of the Parties hereunder will be interpreted, construed, and governed by the laws of the State of Ohio, without regard to its conflicts of law principles.~~

~~8.10. Multiple Counterparts. This Agreement may be executed by the Parties in multiple original counterparts, and each such counterpart will constitute an original hereof.~~

~~[The remainder of this page is intentionally left blank.]~~

~~The next page of this document is S-1]~~

~~Executed to be effective as provided above:~~

Ohio Power Company

Monongahela Power Company

By: _____

By: _____

Name: Michael M. Heyeck

Name: James R. Haney

Title: Senior Vice President, Transmission

Title: Vice President

EXHIBIT 1.1 DEFINITIONS

Terms defined in this Exhibit 1.1 will have the meanings set forth in this Exhibit.

TERM		DEFINITION
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1. ~~138 kV Line~~ As defined in Recital G.

2. ~~Agreement~~ As defined in the first paragraph.

3. ~~Applicable Law~~ Any statute, law, ordinance, executive order, rule, or regulation (including a regulation that has been formally promulgated in a rule making proceeding but, pending final adoption, is in proposed or temporary form having force of law); guideline, or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified Person or specified property, as in effect from time to time. Applicable Law will include the requirements of NERC and PJM.

4. ~~Confidential~~ As defined in Section 7.1.
Information

5. ~~Disclosing Party~~ As defined in Section 7.1.

6. ~~Effective Date~~ As defined in the first paragraph.

7. ~~Event of Default~~ As defined in Section 6.1.

8. ~~FERC~~ As defined in Recital G.

9. Good Utility Practice Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts ~~that~~which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good utility practice Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region; including those practices required by Section 215(a)(4) of the Federal Power Act.

limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the region.

~~10. Governmental Permits, consents, licenses, franchises, certificates, Approvals authorizations, registrations, or waivers, extensions, renewals, or variances relating thereto, in each case issued by any "Governmental Authority, and filings with or notices to any Governmental Authority.~~

~~11. Governmental Any" – shall mean any federal, state, foreign, tribal, local, or municipal Authority governmental body; and any other governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority, having responsibility over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory executive, police, or taxing authority or power, including any court or other tribunal. Governmental Authority will include PJM-; provided, however, that such term does not include either Party, nor any Affiliate thereof.~~

~~12. Insolvent A Person is "Insolvent" if such Person admits in writing its insolvency or bankruptcy, or commences a voluntary (or becomes subject to an involuntary) case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency, or other similar law, or consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, or sequestrator (or other similar official) of such Person or of any substantial part of its property, or makes an assignment for the benefit of creditors, or fails generally to pay its debts as such debts become due, or takes corporate action in furtherance of any of the foregoing.~~

~~13. "Interconnection — As defined in Recital G. Agreement~~

~~14. Mon Power — As defined in the first paragraph.~~

- ~~15. NERC — North American Electric Reliability Corporation or its successor.~~
- ~~16. Ohio Power — As defined in the first paragraph.~~
- ~~17. Person — Any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency, or instrumentality.~~
- ~~18. PJM — PJM Construction” – shall mean construction to establish an Interconnection, L.L.C. or its successor.~~
- ~~19. Project — As defined in Recital I.~~
- ~~20. Project Facilities — Items of equipment Point between the Parties, and the Modification of facilities to be constructed, reconstructed, installed, replaced, or upgraded as part of the Work.~~
- ~~21. Recipient — As defined in Section 7.1.~~
- ~~22. Representatives — As defined in Section 7.1.~~
- ~~23. Tower 36 — As defined in Recital I.~~
- ~~24. Work — As defined in Section 2.1.~~

Schedule 2.1

Scope of Work

Tower Modifications to be made on Tower 36

Ohio Power Responsibilities

1. ~~Engineering work associated with tower modification~~
 - a. ~~May include time spent modeling tower for analysis and/or working with Mon Power or Mon Power's consultant(s) to analyze Tower 36 design~~
2. ~~Replace various tower members in order to strengthen Tower 36~~
3. ~~Procure and provide three (3) sets of dead-end hardware for Mon Power to make the termination of the new conductor~~
4. ~~Provide an AEP Transmission construction representative to be on-site by one Party materially affecting the facilities of the other Party at all times during construction an existing Interconnection Point.~~

Mon Power Responsibilities

1. ~~Make termination of new conductor on Tower 36~~
2. ~~Pull conductor from Tower 36 to Mon Power tower~~

Existing Conductor Reconfiguration

Ohio Power Responsibilities

1. ~~Procure and provide three (3) sets of dead-end hardware for Mon Power to make the termination of the existing conductor in order to re-sag span 35 to 36~~
2. ~~Provide 138kV splices if re-sagging of conductor is required~~
3. ~~Provide sagging instructions (if necessary)~~

Mon Power Responsibilities

1. ~~Transfer the C-phase 138kV conductor from the lowest support on the south facing side of Tower 36 to the lowest support on the north facing side of Tower 36.~~
2. ~~Transfer the B-phase 138kV conductor from the second to lowest support on the south facing side of Tower 36 to the lowest support on the south facing side of Tower 36.~~
3. ~~Transfer the A-phase 138kV conductor from the third to lowest support on the south facing side of Tower 36 to the second to lowest support on the south facing side of Tower 36.~~
4. ~~Make termination of existing conductor on Tower 36~~
5. ~~Re-sagging of new 138kV conductor if needed to balance tension~~

~~Estimate of Cost~~

~~Estimated Cost of Reimbursement from Mon Power to Ohio Power~~ ————— ~~\$ 75,000~~

Construction Schedule

~~Ohio Power Scope of Work complete:~~ ————— ~~5/15/2011~~

~~Mon Power Scope of Work complete:~~ ————— ~~5/27/2011~~

“Interconnection Point” – shall mean each point of electrical connection between the transmission system of one Party and the transmission system of the other Party as set forth in this Agreement.

“Metering Point” – shall mean each point at which the electrical energy flowing between the Parties at an Interconnection Point is measured.

“Modification” – Any material new construction, additions, design changes or modifications made to, or the abandonment, retirement, relocation or rearrangement of facilities.

“NERC” – shall mean the North American Electric Reliability Corporation or any successor or other entity assuming or charged with similar responsibilities related to the operation and reliability of the North American electric interconnected transmission grid and the electric transmission facilities addressed in this Agreement, including with respect to each Party’s own transmission facilities, any regional or other subordinate council of which the Parties are a member.

“NERC Reliability Standards” – shall mean mandatory and enforceable requirements, administered by NERC, approved by the FERC under Section 215 of the Federal Power Act, to provide for reliable operation of the bulk-power system.

“Non-owning Party” – shall mean the Party that does not own certain facilities as delineated in Appendix I and Appendix II to this Agreement.

“Owning Party” – shall mean the Party that owns certain facilities as delineated in Appendix I and Appendix II to this Agreement.

“PJM Requirement” – shall mean any rule, charge, procedure, or other requirements of PJM, including the PJM Tariff, applicable to FERC-jurisdictional service provided over the transmission system of either Party.

“PJM Tariff” – shall mean PJM’s Open Access transmission Tariff as on file with FERC and in effect.

“Representatives” – means a Party’s Affiliates, and the Party’s and its Affiliates’ equity owners, governing persons, officers, employees, advisors, attorneys, and prospective or actual lenders or investors.

“Third Party Claim” shall mean a claim, demand, cause of action or proceeding made or brought by a Person that is not a Party or an Affiliate of a Party.