

May 14, 2018

Via Electronic Filing

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

Re: Monongahela Power Company – Filing of Operating and Interconnection Agreement with The City of Philippi in Docket No. ER18-1589-000

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 Monongahela Power Company (“Mon Power” or the “Applicant”), a transmission owning member of the PJM Interconnection, L.L.C. (“PJM”), hereby submits for filing one new Operating and Interconnection Agreement for wholesale load (the “Service Agreement”) described in more detail herein.³

I. Description of the Applicant and Background

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. Mon Power is a transmission-owning member of PJM, and the 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”).

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Pursuant to Order No. 714, this filing is submitted by PJM on behalf of the Applicant 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 Applicant requested that PJM submit the Service Agreement in the eTariff system as part of PJM’s electronic Service Agreements Tariff.

II. Description of the Service Agreement

Service Agreement No. 4717 ("SA No. 4717")

SA No. 4717 is an updated Operating and Interconnection Agreement for wholesale load by and between Mon Power and The City of Philippi ("City" or "Philippi") and is dated September 22, 2017. SA No. 4717 sets forth the rates, terms, and conditions for the interconnection and coordinated operation of the parties' systems. SA No. 4717 does not impose any charge on either party for the mutual interconnection, planning and operation services provided under SA No. 4717.

In addition to receiving interconnection service from Mon Power (under SA No. 4717), the City purchases transmission and wholesale distribution service. The terms and conditions for the City's purchase of transmission and wholesale distribution service are set forth in a Network Integration Transmission Service Agreement ("NITSA") that is dated May 30, 2007.⁴ Due to clerical error, the Service Agreement was not filed in accordance with the 60-day notice provision as required by 18 C.F.R. § 35.3.

III. Request for Effective Date

The Applicant respectfully requests that the Commission grant an effective date for the SA No. 4717 of July 13, 2018, which is approximately sixty (60) days after the date of the instant filing.

IV. Communications

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

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⁴ The current NITSA expires on June 1, 2018. The parties have entered into a new NITSA dated March 6, 2017 with service commencing June 1, 2018.

V. Documents Submitted With This Filing

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

- this transmittal letter;
- the Service Agreement in eTariff format;
- a clean copy of the Service Agreement in PDF format for publishing in eLibrary; and
- a PDF document with the signatures pages of the parties to the Service Agreement for publishing in eLibrary.

VI. Service

The Applicant has served copies of this filing upon all other parties to the Service Agreement, as well as the affected state utility commission(s) within the PJM region.

VII. Conclusion

The Applicant hereby respectfully requests that the Commission accept for filing the Service Agreement, with an effective date of July 13, 2018. The Applicant further requests any waivers of the Commission's regulations necessary to give effect to such agreement as requested by the Applicant. Please direct any questions regarding the instant filing to the undersigned.

Respectfully submitted,

/s/ Nicholas A. Giannasca

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OPERATING AND INTERCONNECTION AGREEMENT FOR WHOLESALE LOAD

Between

THE CITY OF PHILIPPI

And

MONONGAHELA POWER COMPANY

Operating and Interconnection Agreement for Wholesale Load

This Agreement is entered into as of the 22nd day of September, 2015 by and between The City of Philippi (“Customer”) and Monongahela Power Company (“Mon Power” or “Transmission Owner”), being sometimes herein referred to collectively as the “Parties” or singularly as a “Party.” For the avoidance of doubt, the term “Party” or “Parties” shall not include PJM Interconnection, L.L.C. (“PJM”). In consideration of the mutual covenants and agreements herein, it is agreed as follows:

WITNESSETH:

WHEREAS, Mon Power is a subsidiary of FirstEnergy Corp. (“First Energy”) that owns and operates certain electric facilities used for the transmission and distribution of wholesale electric energy;

WHEREAS, Customer is a Wholesale Load Serving Entity (“Wholesale LSE”) that serves retail load

WHEREAS, PJM is a Regional Transmission Organization (“RTO”) offering transmission service to eligible customers;

WHEREAS, Mon Power is both a Transmission Owner and an Electric Distribution Company as defined by the PJM’s Operating Agreement and the PJM Open Access Transmission Tariff (“OATT” or “Tariff”);

WHEREAS, Customer may duly designate an agent for purposes of carrying out certain Wholesale LSE responsibilities under the PJM tariff;

WHEREAS, the Federal Energy Regulatory Commission (“FERC” or the “Commission”) has requested that the Parties include PJM as a signatory to this Agreement for

the purpose of ensuring 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 arise;

WHEREAS This Agreement does not provide for the purchase, sale or exchange of energy, capacity, transmission or ancillary services; and

WHEREAS, the Parties wish to establish the terms and conditions for the interconnection and coordinated operation of the Parties' systems and for the Customer's use of certain facilities to enable the Customer to serve its retail loads, which are separate from the rates, terms and conditions of transmission service provided by PJM under the PJM Open Access Transmission Tariff ("PJM Tariff").

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

ARTICLE 1: AGREEMENT OBJECTIVE AND APPLICABLE TARIFFS

- 1.1 Agreement Objective:** The objective of this Agreement is to establish the terms and conditions for the interconnection and coordinated operation of the Parties' systems and for the Customer's use of certain distribution facilities to enable the Customer to serve its retail loads.
- 1.2 Limitation of Scope:** Nothing in this Agreement shall be deemed to impose on Customer any obligation or standard of care or performance with respect to facilities used by Customer to serve its retail customers other than those that are owned by Customer and that are interconnected with Mon Power's system.
- 1.3 Applicability of Tariffs:** During the term of this Agreement, as it may be amended from time to time, Mon Power agrees to provide Services for the Customer, and the Customer

agrees to pay for such Services under the terms and conditions identified in Section 3.9 and Section 8.1 hereto, in accordance with this Agreement. The term “Services” means those services described herein which are subject to the jurisdiction of the FERC but not provided by PJM under the PJM Tariff. In addition, the applicable provisions of the PJM Tariff, as such Tariff shall at any time during the term of this Agreement be on file and accepted by FERC, including any applicable Schedules and Attachments appended to such Tariff shall apply. Mon Power shall not provide any Services or levy any charges hereunder that are provided or charged by PJM under the PJM Tariff. Mon Power’s and the Customer’s rights and obligations with respect to Services are limited to the terms hereof.

1.4 Governance Over Conflicts: The terms and conditions of such Services provided by Mon Power shall be governed by this Agreement, or as hereafter amended. In the case of any conflict between this Agreement and the PJM Tariff, the PJM Tariff shall control.

1.5 Good Utility Practice: “Good Utility Practice” is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but, rather, is limited to the acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215.

1.6 Modelling: Customer is a wholesale load interconnected to the Mon Power system. As the Electric Distribution Company (“EDC”), as defined under the PJM Tariff, Mon Power shall assign the Customer’s wholesale load to the appropriate PJM account in accordance with the PJM Tariff and Manuals.

ARTICLE 2: DELIVERY POINTS

2.1 Location: The location of existing facilities connecting the Customer's power delivery facilities to the Mon Power power delivery facilities ("Delivery Points") are listed in Appendix 1. Unless the Parties shall subsequently agree otherwise, the existing Delivery Points listed in Appendix 1 shall be continued in service. Mon Power and the Customer, to the extent practicable, shall each maintain, in accordance with Good Utility Practice, the facilities on their respective sides of such points, and future points of delivery as may be established from time to time in accordance with Article 3 and Article 5, in order that said facilities will operate in a reliable and satisfactory manner, and without material reduction in their intended capacity or purpose. Delivery Points shall be used only for the delivery of electric power and energy to the Customer, and shall not be used to inject electric power or energy into the Mon Power system from electric generating facilities owned by the Customer unless the Customer has studied, planned, and coordinated the interconnection of the generation facility with Mon Power pursuant to the Application process set forth in Article 5, or through the PJM Tariff generator interconnection process. The Customer and Mon Power shall endeavor to operate their respective facilities in continuous synchronism through such Delivery Points as shall from time to time be established by mutual agreement between the Parties. The Parties may, from time to time by mutual agreement, add one or more additional Delivery Points or discontinue or modify one or more existing Delivery Points pursuant to the procedures set forth in Article 5 and shall amend Appendix 1 of this Agreement, including any one-line diagrams set forth therein, to reflect the same, and file the amended agreement with FERC.

ARTICLE 3: OPERATION AND MAINTENANCE

3.1 General: Customer must design, construct, maintain, and operate its system facilities safely and efficiently in accordance with Good Utility Practice; applicable national, state, and local codes, standards, and regulations, including those promulgated by the North Electric Reliability Corporation (“NERC”) and PJM or successor organizations; applicable manufacturer's equipment specifications; and the most current requirements specified by Mon Power and applicable to the Services, including but not limited to those set forth in the documents entitled “Requirements for Transmission Connected Facilities,” “Transmission Planning Criteria” and “Distribution Connection Requirements” as it may be revised from time to time (“FirstEnergy Documents”) and posted on PJM’s web site (<http://www.pjm.com/planning/planning-criteria/to-planning-criteria.aspx>). Mon Power shall provide Customer with notice pursuant to Section 15.1 of any changes to the FirstEnergy Documents as changes are made from time to time. Mon Power shall comply with Good Utility Practice; all applicable national, state, and local codes, standards, and regulations, including those promulgated by NERC and PJM or successor organizations; applicable manufacturer’s equipment specifications; and the most current requirements specified by Mon Power and applicable to the Services, including but not limited to those set forth in the FirstEnergy Documents. Mon Power shall have the right to waive Customer’s compliance with the technical requirements provided in the FirstEnergy Documents. In the event of a conflict between the provisions of this Agreement and the FirstEnergy Documents, the provisions of this Agreement shall govern.

3.2 Electric Service Characteristics: Electric service, in the form of three phase, approximately sixty-hertz alternating current, shall be delivered at the designated Delivery Points and nominal voltage(s) listed in Appendix 1.

3.2.1 Multiple Delivery Points: When multiple Delivery Points are provided to a specific location identified in Appendix 1, they shall not be operated in parallel by the Customer without the approval of Mon Power, which approval shall not be unreasonably withheld; provided that any such approval may be revoked if in Mon Power's discretion such action is necessary to maintain or retain safe and reliable operation of the electric system or any of Mon Power's facilities. The Operating Committee, as provided under Article 9, shall establish and monitor standards and operating rules and procedures to ensure that system integrity and the safety of customers, the public and employees are maintained or enhanced when parallel operation is permitted either on a continuing basis or for intermittent switching or other service needs. Each Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

3.2.2 Avoidance of Burdens and Control of System Disturbance: The Parties shall maintain and operate their respective systems so as to minimize, in accordance with Good Utility Practice, the likelihood of a disturbance originating in either system which might cause impairment to the service of the other Party or of any system interconnected with the system of the other Party. For planning purposes, the Customer shall not transfer loads from one Delivery Point to another without Mon Power's approval, which timely approval shall not be unreasonably

withheld. For normal operational purposes, the Parties shall coordinate transfers of load from one Delivery Point to another Delivery Point, and the Customer shall not transfer loads from one Delivery Point to another without Mon Power's approval, which timely approval shall not be unreasonably withheld. The Parties shall make any additional arrangements with respect to load transfers through the Operating Committee, as provided under Article 9.

3.3 Impairment: If the function of either Party's facilities is impaired or the capacity of any Delivery Point is reduced, or synchronous operation at any Delivery Point(s) becomes interrupted, either manually or automatically, as a result of Force Majeure, the Parties will cooperate to remove the cause of such impairment, interruption or reduction, so as to restore normal operating conditions as expeditiously as practicable under Good Utility Practice and the circumstances.

3.4 Emergencies: Each Party reserves the right to take any action deemed necessary by PJM or itself during an actual or imminent emergency to preserve the reliability and integrity of the interconnected systems of Mon Power and Customer, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.

3.4.1 Emergency Curtailment: In an emergency, the reasonable judgment of Mon Power, in accordance with Good Utility Practice, shall be the determinant of whether the operation of the Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the Mon Power system. Mon Power may discontinue Service to such Customer until the power quality or interfering condition has been corrected; provided that, to the

extent practicable, Mon Power will provide reasonable notice to Customer. To the extent practicable under Good Utility Practice and in Mon Power's sole, but reasonable discretion, Mon Power will provide Customer with an opportunity to alleviate the condition to avoid or minimize the discontinuation of Service in an emergency. Any such curtailment of load, redispatching, or load shedding shall be effectuated on a nondiscriminatory basis and in accordance with PJM Manuals.

3.5 Curtailment: In non-emergencies, Mon Power may curtail Service under this Agreement to limit or prevent damage to its generating, transmission, or distribution facilities caused by the Customer's failure to maintain its facilities as directed by PJM or in accordance with Good Utility Practice; provided that, to the extent practicable, Mon Power will provide reasonable notice to Customer and an opportunity for Customer to remedy the adverse condition in accordance with Section 3.9. Any such curtailment of load, redispatching, or load shedding shall be effectuated on a non-discriminatory basis and in accordance with PJM Manuals.

3.6 Procedures: The Operating Committee shall establish procedures to coordinate the maintenance schedules, and return to service of the generating resources, transmission and distribution facilities, to the greatest extent practicable, to ensure sufficient transmission and distribution resources are available to maintain system reliability and reliability of service to the integrated facilities of Mon Power and Customer in accordance with Mon Power and the requirements of the PJM Tariff and/or PJM Manuals.

3.6.1 Scheduled Maintenance and Outages: Each Party may, in accordance with Good Utility Practice, remove from service its facilities that may affect the other

Party's system in order to perform maintenance or to install or replace equipment on such facilities. The Party proposing to remove such facilities from service shall provide prior notice of such activities to the other Party in accordance with the FirstEnergy Documents. The Party scheduling a facility outage shall coordinate its actions with the other Party with the goal of avoiding any disruptions of service on the system of either Party.

3.7 Control of Reactive Power Exchange: No Party shall be obligated to deliver or receive reactive power for the benefit of any other Party under this Agreement. The Parties will maintain voltage and load power factor requirements at the Delivery Points in accordance with the latest version of the FirstEnergy Documents and/or the PJM Tariff.

3.8 Control of Energy: Any deviations between actual and planned deliveries of power and energy between the systems of the respective Parties to serve their load will be managed and settled pursuant to the PJM Tariff and the PJM business practices.

3.9 Failure to Perform: With respect to non-emergencies, in the event a Party fails to adhere to the provisions of this Article 3, the other Party will provide reasonable notice and an opportunity for the failing Party to remedy any adverse condition(s) on the notifying Party's system that are caused by the Party's failure to adhere to the provisions of this Article 3. Such notice shall be provided in writing, and shall provide at least 180 days for the Parties to develop a mutually agreeable plan to cure the adverse condition(s). If the Parties fail to develop a mutually agreeable plan to cure the adverse condition(s), or if the failing Party does not comply with the plan or meet the timelines included in the plan, the Parties shall first comply with the dispute resolution procedures under Article 11. If a plan for curing the adverse condition(s) is not developed, or compliance with the

plan or meeting the timelines included in the plan is not achieved as part of the dispute resolution process under Article 11, the noticing Party may take remedial action on its system as is reasonable and consistent with Good Utility Practice under the circumstances. Such remedial actions may include the installation of facilities on the notifying Party's system, at the other Party's expense, to remedy the adverse condition(s) on the notifying Party's system. Such remedial actions shall not include the curtailment of service unless the adverse condition(s) is likely to cause physical damage to the notifying Party's generating, transmission, or distribution facilities. Incurred charges for facilities planned for or installed pursuant to the immediately preceding sentence shall be limited to the planning or installing Party's actual and reasonable costs and may include actual direct and indirect labor and non-labor costs to the extent such costs are reasonably incurred, properly allocable to the planning or installation of the subject facilities and accepted by FERC.

ARTICLE 4: PLANNING AND PROTECTION

- 4.1 Planning Data:** No later than December 15 of each year, the Customer shall provide Mon Power with: (i) copies of documents provided by Customer to PJM on an annual basis in accordance with provisions of the PJM Tariff that require Customer to submit a ten (10) year forecast of load for each existing and planned new Delivery Point, and a ten (10) year projection of planned generating resources and committed transactions with third parties, insofar as such information pertains to the Customer's existing and planned Delivery Points located or to be located on Mon Power's facilities; and (ii) a projection for each of the next ten (10) years of transmission and distribution facility additions to be owned and/or constructed by the Customer, which facilities are expected to affect the

planning or operation of the transmission and distribution system within Mon Power's system insofar as such information pertains to the Customer's existing and planned Delivery Points located or to be located on Mon Power's facilities. Notwithstanding the foregoing, Customer shall not be required to provide Mon Power with information that Customer in good faith deems to be proprietary or commercially sensitive.

4.2 Planning Data Communication: The information in Section 4.1 shall be forwarded to Mon Power's representative on the Operating Committee, with a copy to Mon Power's representative identified under Article 15.

4.2.1 Disclosure: Information exchanged by the Parties under this Section will be used for system planning and protection only, and will not be disclosed (i) to third parties, absent mutual, written, consent or order of a court or regulatory agency, or (ii) within Mon Power or by Mon Power to one or more of its Affiliates except as permitted by FERC's Standards of Conduct.

4.3 Coordination: The Parties shall coordinate with each other regarding the technical and engineering arrangements for the Delivery Points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall arrange the facilities to avoid interruptions on either Party's system.

ARTICLE 5: NEW DELIVERY POINTS AND MODIFICATIONS TO EXISTING DELIVERY POINTS

5.1 General: Unless otherwise agreed upon, the procedures outlined in this Article 5 shall be followed for new Delivery Points; upgrades, retirements, replacements, relocations for existing Delivery Points; or additions, retirements, or modifications to behind-the-meter generation. Prior to submitting an application for any facility under this Article 5 ("Application"), the Customer should discuss the proposed Delivery Point project with

Mon Power to determine the need for an ILS and/or DLS as those terms are defined below as soon as practicable.

5.2 Application: Should it become necessary or desirable by the Customer to (a) upgrade, retire, replace, or relocate an existing Delivery Point, or establish a new Delivery Point, including metering or other facilities at such location; (b) add, retire, or modify behind-the-meter generation at each Delivery Point; (c) for Delivery Points less than 69 kV, add 1 MW or more over any 12-month period above the most recent load forecast provided in Section 4.1; (d) for Delivery Points 69 kV and above but less than 138 kV, add 2 MW or more over any 12-month period above the most recent load forecasts provided in Section 4.1; or (e) for Delivery Points 138 kV and above, add 5 MW or more over any 12-month period above the most recent load forecasts provided in Section 4.1, the Customer shall provide reasonable prior notice to Mon Power prior to doing so. Upon receipt of such notice, Mon Power, upon its sole but reasonable discretion may require the Customer to submit an Application request in writing to Mon Power using the then-effective Application forms made available at <https://www.firstenergycorp.com/feconnect/potomacedison/wholesale.html> and/or by contacting Mon Power's representative under Article 15. In the event that Mon Power does not respond to such notice within fifteen business days, it shall be deemed that no further action by Customer is required. Mon Power shall not require Customer to submit an Application pursuant to this Section 5.2 in situations in which load is temporarily transferred from one Delivery Point to another Delivery Point with Mon Power's approval.

5.2.1 Response to Application: Upon receipt of an Application, Mon Power shall review the information and advise the Customer, in writing, within five (5) business days that the Application is complete, or if additional information is needed to make the Application complete. Mon Power will attempt to remedy minor deficiencies in the Application through informal communications with the Customer. If Mon Power does not receive the required additional information to complete the Application within fifteen (15) business days, the application will be deemed withdrawn. As soon as practicable within thirty (30) calendar days after receipt of a completed Application, Mon Power will inform the Customer of the need for an ILS, and/or DLS as those terms are defined below, and provide the Customer with the appropriate agreement.

5.2.2 Application Modifications: If at any point in the process outlined in this Section 5.2 the Customer is considering modifying the information provided in the Application, any supporting information or the study scope, the Customer may first request that Mon Power evaluate whether such modification(s) will be treated as constituting a “Material Modification.” For purposes of this Section 5.2.2, a “Material Modification” shall be any change to an Application that Mon Power reasonably determines will materially increase the cost or the length of time required to complete an ILS and/or DLS for any facilities needed to accommodate the project that is the subject of the Application, and may (depending on the specific relevant circumstances) include such changes as an increase in MW capacity, a change in electrical location of the proposed Delivery Point, a change in the study scope, or a delay in the in-service date of the proposed Delivery Point

by three (3) or more years. In response to the Customer's request and at the Customer's cost, Mon Power shall evaluate the proposed modification(s) prior to making them and shall inform the Customer in writing whether Mon Power will treat the modification as a Material Modification. If the modification(s) is not treated as a Material Modification, Mon Power shall continue to meet all requirements set forth in Section 5.2.1 with respect to the original Application, as modified. If the modification(s) is treated as a Material Modification, Mon Power may, at its option, treat the original Application as void and consider the Application, as modified, a new Application, or Mon Power may continue to process the Application, as modified, in accordance with the requirements of this Section 5.2. The Customer may withdraw its Application at any time and without cost provided that the Customer withdraws the Application prior to the Customer's execution of an ILSA and/or DLSA (described below).

5.3 Initial Load Study ("ILS"): Should an ILS be required due to the complexity in evaluating the Customer's Application caused by preceding projects, the Customer's system configuration, or Mon Power's system configuration in the vicinity of the Delivery Point, Mon Power shall provide the Customer with an ILS Agreement ("ILSA"). If an ILS is not required due to the lack of complexity in evaluating the Customer's Application, then only a DLS shall be required. The ILSA shall include the scope of work and payment terms for the estimated cost to complete the ILS. Mon Power will not un-reasonably determine a project to be complex and in need of an ILS. The Customer shall execute and deliver an executed ILSA and payment of the estimated cost to complete the ILS to Mon Power within thirty (30) calendar days following receipt of

the ILSA form. Upon receipt of the executed study agreement, Mon Power shall carry out the ILS. In the ILS, Mon Power shall assess the feasibility of modifying an existing Delivery Point or establishing the new Delivery Point, or assessing system impacts caused by changes to behind-the-meter generation. The study shall use power flow and short circuit analyses and any other analyses that may be appropriate to identify the facilities necessary to physically and electrically connect the Delivery Point, identify technical limitations, identify feasible mitigation alternatives, and provide a high level cost estimate to engineer and construct the Delivery Point. If the Customer fails to return an executed ILSA within thirty (30) calendar days of receipt, or at a later date as the Parties mutually agree, Mon Power will deem the study request to be withdrawn. The Customer may withdraw its study request at any time by written notice of such withdrawal to Mon Power. Mon Power shall issue a report to the Customer within sixty (60) calendar days of the receipt of an executed ILSA, or at a later date as the Parties may mutually agree. Mon Power will make reasonable efforts to complete the report within the above sixty (60) days, and will make reasonable efforts to minimize the cost of such study, but if Mon Power is unable to complete such study in the allotted time, Mon Power shall provide an explanation to the Customer regarding the cause(s) of such delay and a revised completion date reflecting the exercise of diligence by Mon Power and a revised study cost estimate. Upon completion of the ILS, the Parties shall conduct a reconciliation where, if applicable, the Customer shall reimburse Mon Power for any costs of the ILS that exceeded the estimated costs paid by the Customer. If the costs of the ILS exceed the estimated costs paid by Customer, Mon Power shall reimburse the Customer for such excess amount.

5.4 Detailed Load Study (“DLS”): Following the completion of the ILS, if needed, and Customer’s expressed desire to proceed with the project in writing within thirty (30) calendar days of receiving the ILS, Mon Power shall provide the Customer a DLS Agreement (“DLSA”) within thirty (30) calendar days of receiving the Customer’s notification. The DLSA shall provide scope of work and the payment terms for the estimated cost to complete the DLS. The Customer shall deliver an executed DLSA and payment of the estimated cost to complete the DLS to Mon Power within thirty (30) calendar days following its receipt, together with required technical data. The DLS shall determine the details and estimated cost of Mon Power facilities necessary for establishing or modifying a Delivery Point, and any Mon Power system additions/upgrades and Customer additions/upgrades needed. Mon Power shall complete the study and issue a DLS report to the Customer within sixty (60) calendar days after receipt of an executed DLSA and necessary data, or at a later date as the Parties may mutually agree. If the Customer fails to return an executed DLSA within thirty (30) calendar days of receipt or at a later date as the Parties mutually agree, Mon Power will deem the study request to be withdrawn. The Customer may withdraw its study request at any time by written notice of such withdrawal to Mon Power. Mon Power will make reasonable efforts to complete the report within the above sixty (60) days, and will make reasonable efforts to minimize the cost of such study, but if Mon Power is unable to complete such study in the allotted time or under the initially determined payment terms, Mon Power shall provide an explanation to the Customer regarding the cause(s) of such delay and a revised completion date reflecting the exercise of diligence by Mon Power and a revised study cost estimate. Upon completion of the DLS, the Parties shall conduct

a reconciliation where, if applicable, the Customer shall reimburse Mon Power for any costs of the DLS that exceeded the estimated costs paid by the Customer. If the costs of the DLS exceed the estimated costs paid by Customer, Mon Powershall reimburse the Customer for such excess amount.

5.5 Modifications to Study Request: During the course of an ILS or DLS, either the Customer or Mon Power may identify desirable changes in the planned facilities that may lower the costs and/or increase the benefits (including reliability) of the planned facilities. Changes proposed by Mon Power or Customer must be accepted by the other Party; provided, however, that (i) such acceptance may not be unreasonably withheld, and (ii) changes which are intended to lower the costs and/or increase the benefits (including reliability) of the planned facilities will not be considered modifications that would void the Application. If the revised plan and study schedule are acceptable to both Mon Power and the Customer, Mon Power will proceed with any necessary restudy. The costs of any additional studies resulting from a modification proposed by Mon Power or Customer shall be borne by the Party that proposed the modification.

5.6 Construction: The Customer shall notify Mon Power, in writing, of its intent to proceed with the construction of the proposed facilities identified in the DLS within sixty (60) calendar days of receiving the DLS, or another mutually agreed upon date. Should Customer elect to proceed with construction, Mon Power shall provide the Customer with a Construction Service Agreement (“CSA”) specifying the terms and conditions of construction within thirty (30) calendar days after receipt of the Customer’s written notice.

- 5.6.1 Response to CSA:** Within sixty (60) calendar days of receipt thereof, the Customer shall either execute and return the CSA to Mon Power for filing with FERC or, alternatively, shall request dispute resolution under Article 11 or request that the CSA be filed unexecuted with FERC. Mon Power shall file the CSA, in executed or unexecuted form, as applicable, with FERC within ten (10) calendar days following receipt of the executed CSA from Customer or Customer's request that the CSA be filed unexecuted.
- 5.6.2 Deferral of Construction:** In the event that the Customer has requested dispute resolution under Article 11 or that the CSA be filed with FERC unexecuted, and unless otherwise agreed by the Customer and Mon Power, Mon Power shall defer the initiation of design, procurement and construction of any facilities subject to the CSA until all pending disputes are resolved.
- 5.6.3 Withdrawal of Application Through Customer's Failure to Act:** If the Customer does not notify Mon Power of its intent to proceed with the construction of the facilities within the time period provided in Section 5.6.1, unless otherwise agreed to by the Parties, Mon Power may, at its option, elect to have the Application treated as having been withdrawn. In that event, any and all costs reasonably incurred by Mon Power in connection with the ILS and/or DLS for such Application shall be reimbursed by Customer to Mon Power to the extent not already paid by the Customer. Unless otherwise agreed by the Parties, the Customer shall not be responsible for any design, procurement, or construction costs incurred by Mon Power unless the Customer has executed a CSA.

5.6.4 Withdrawal of Application Through Mon Power’s Failure to Act: If Mon Power does not file the CSA with FERC in executed or unexecuted form within the time period set forth in Section 5.6.1, unless otherwise agreed to by the Parties, Customer may, at its option, elect to have the Application treated as having been withdrawn. In that event, any and all costs incurred by Customer in connection with such Application shall be reimbursed by Mon Power to Customer.

5.7 Responsibility for Delivery Point Costs: The purpose of this Section 5.7 is to provide guiding principles regarding cost responsibility for services provided under a CSA under this Article 5.

5.7.1 In-Line Facilities: Except as provided by subsection 5.7.3 below, switches, conductors and associated equipment, including support structures for such facilities, that are operated in-line with the Mon Power system and are necessary to establish, support, or expand a Delivery Point under this Agreement shall be provided, owned, operated and maintained by Mon Power. In-line facilities are those facilities that provide network benefits to the Mon Power system and that are located on Mon Power’s side of the Delivery Point. The costs associated with such in-line and associated facilities will be “rolled-in” to Mon Power’s rates for wholesale service taken over transmission or distribution facilities and will not be directly assigned to Customer.

5.7.2 In-Line Facility Design: All in-line Delivery Point facilities to be rolled into Mon Power rates shall be designed and installed in accordance with the standards applicable to Mon Power and its Affiliates, and to Mon Power’s non-Affiliate

customers, including those set forth in the FirstEnergy Documents. If the Customer requests in-line facilities different from those required by the Mon Power system standards, the Customer will be required to pay the incremental installed cost, if any, of those facilities above the cost of the facilities that would have been required by the Mon Power system standards, including taxes applicable on contributions-in-aid of construction (“CIAC”). All in-line facilities shall provide at least the capacity and system protective capabilities of those required by the Mon Power system standards.

5.7.3 Two-Way Supply: When Mon Power system standards, including those set forth in the FirstEnergy Documents, require the Mon Power system to loop through the Customer’s substation (two-way supply), all substation equipment that is part of the networked Mon Power system, including bus work, switches/breakers and other facilities located in the Customer’s substation shall be constructed and owned by the Customer in accordance with the Mon Power system standards, and the cost thereof shall be the Customer’s responsibility, unless such equipment provides network benefits to the Mon Power system, in which case the equipment will be owned by Mon Power and the cost thereof shall be Mon Power’s responsibility. Mon Power shall retain operational control, and any access required for such operation, of such facilities and, unless otherwise agreed, the Customer shall, in coordination with Mon Power, maintain the bus work, switching/breakers and other facilities that are part of the networked Mon Power system and located in the Customer’s substation, in accordance with the Mon Power system standards and practices, and the cost thereof shall be the

Customer's responsibility, unless the equipment provides network benefits to the Mon Power system, in which case the cost thereof shall be Mon Power's responsibility.

5.7.4 Load-Side Facilities: Unless otherwise agreed, all tap lines and distribution substations and other facilities on the Customer's side of the Delivery Point (other than metering), not located in-line with the Mon Power system, shall be provided, owned, operated and maintained by the Customer, and the cost thereof shall be the responsibility of the Customer.

5.7.5 Single-Owner Design Basis: The location and design of the new Customer Delivery Point(s) shall be determined based upon a hypothetical single owner concept, i.e. as if the Mon Power system and the applicable Customer's facilities were all owned by either Mon Power or the Customer, but not both. Accordingly, the "single owner" solution shall be based upon the lowest aggregate construction cost to the Customer and Mon Power collectively, without regard to cost allocation principles set forth in this Section 5.7, but consistent with the Mon Power system standards and Good Utility Practice. Mon Power and the Customer shall mutually agree upon the location and design of new Customer Delivery Points consistent with the single owner concept.

5.7.6 System Upgrades: System upgrades on the Mon Power system necessary as a result of a Customer Delivery Point request shall be constructed, owned, operated and maintained by Mon Power, and the cost thereof shall be rolled into Mon Power's wholesale transmission or distribution rates, and shall not be directly assigned to the Customer. System upgrades on the Customer's system necessary

as a result of Mon Power system upgrades shall be constructed, owned, operated and maintained by the Customer at the Customer's cost. If service to an existing Delivery Point would be affected or discontinued by virtue of the retirement, removal, or relocation of a Mon Power line, Mon Power will work with the Customer to provide comparable service based on the single-owner design basis set forth in Section 5.7.5, using reasonable efforts to provide similar service at a new or modified Delivery Point.

5.7.7 Sunk Cost Recovery: Customer shall reimburse Mon Power for costs incurred in planning or constructing facilities at Customer's request if Customer fails to take the service requested after execution by the Customer of the CSA. In such a case, Customer will reimburse Mon Power to the extent that Mon Power incurs the cost of construction and (a) Customer fails to construct a substation or other necessary and agreed upon facilities on the Customer side of the Delivery Point, or otherwise fails to perform under the applicable CSA, or (b) notwithstanding Customer's or Customer's member's full performance under the applicable CSA, all or substantially all of any proposed new or additional load greater than 5 MW of a single retail customer for which the Delivery Point was specifically requested, fails to be added, such that the requested new or expanded Delivery Point is no longer required (Sunk Costs). Mon Power shall have the right to require financial security (letter of credit or other liquid security) from Customer to support Customer's payment obligations under this paragraph if and to the extent that Mon Power determines the at-risk cost to exceed Customer's level of

unencumbered credit under Mon Power's normal credit review procedures and standards.

5.7.8 Generator Interconnections: The costs of facilities necessary to interconnect, and the application, agreement, process and other requirements for the interconnection of the Customer's generation or the generation of a third-party connected to the Customer's system to Mon Power facilities is beyond the scope of this Agreement and shall be addressed in accordance with the rules applicable to generator interconnections.

ARTICLE 6: METERING

6.1 Measurement of Load at Each Delivery Point: Electric power and energy delivered under this Agreement shall be measured by suitable metering equipment as described below. All metering quantities shall be measured at the Delivery Point. As set forth in Section 1.6 of this Agreement, Customer's interconnection shall be modelled as a Wholesale LSE. The location of each meter shall be referred to herein as the Metering Point. The Customer's load, kW, kWh and kVAr at each Delivery Point shall be measured on an integrated hourly basis, by revenue grade metering equipment. The metering equipment and all measurements by such equipment shall be as needed for all settlement purposes under this Agreement, the PJM Tariff, the PJM Manuals, and in accordance with Mon Power's effective standards and practices. Peak load measurements at a Delivery Point shall be adjusted to eliminate the incremental effects of any load transfers to such Delivery Point from another Delivery Point resulting from supply outages or planned maintenance by Mon Power affecting the other Delivery Point, or

planned maintenance of the Customer's system conducted with Mon Power's consent affecting the other Delivery Point. At points where power may flow to and from the Customer, separate measurements shall be obtained for each direction of flow. Any necessary metered data shall be made available with such frequency and at such times as may be reasonably required by the Customer, Mon Power or the PJM Tariff and/or Manuals in suitable electronic format.

6.2 Metering Equipment: Mon Power shall own, operate and maintain the revenue metering equipment as provided in the FirstEnergy Documents or required by the PJM Tariff and/or Manuals related to each Delivery Point. The costs associated with such metering equipment, including meter operation and maintenance, and meter data collection and processing, shall be recovered from the Customer through the Distribution Charges provided under Section 8.1 or Mon Power transmission rates approved by FERC. Costs associated with additional metering or telecommunication equipment requested by the Customer shall be paid by the Customer.

6.3 Real Time Data: Mon Power, as the Transmission Owner is responsible for providing all operational SCADA data originating from Mon Power- owned facilities required by the PJM Tariff and/or Manuals via the Transmission Owner's ICCP data links to PJM. Should the PJM Tariff and/or Manuals require additional information from Customer owned facilities, the Customer is responsible for supplying such information. Parties shall cooperate to the extent necessary in order that such monitoring and telecommunications equipment as shall be needed for such purpose may be installed and maintained during normal business hours common to Mon Power and Customer.

6.4 Data Communications: At the request of Customer, Mon Power will cooperate with Customer on the installation of any additional communication equipment to allow for connection of the metering to the Customer's real time SCADA system equipment or other monitoring equipment, provided that such equipment connections and communications can be accomplished in a manner that does not interfere with the operation of Mon Power equipment or fulfillment of any statutory or contractual obligation. If the potential for such interference exists, Mon Power will work with the Customer, through reasonable measures, to resolve such metering and/or communications issues. Mon Power will make reasonable efforts to send Customer meter data at the Customer's request in the event of a communication failure and provided Mon Power is in possession of the data at the time of the request.

6.5 Meter Security: All meters and test switches, whether provided by Mon Power or Customer, shall be sealed and the seals shall be broken only when the meters are to be tested, adjusted, repaired or replaced. The other Party shall be provided as much advance notice as is practicable in the circumstances when the facilities of that Party are to be entered or the seals of any meter are to be broken, and such Party shall be afforded the opportunity to be present during such test, adjustment, repair, or replacement.

6.6 Meter Testing: Mon Power shall test the metering equipment at suitable intervals and its accuracy of registration shall be maintained in accordance with Good Utility Practice. At the request of the Customer, Mon Power will perform a special meter test. If less than two percent inaccuracy is found as the result of such test, the Customer shall pay for the costs Mon Power incurs in conducting the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of

settlement are taken from meters not having an automatic record. If any test of metering equipment discloses an inaccuracy exceeding two percent, the accounts of the Parties shall be adjusted for the period that is mutually agreed to however limited to (i) nine (9) months where the timeframe of the error is unknown or (ii), not exceeding twenty-four (24) months where the timeframe of the error is known, or as the PJM Operating Agreement or the PJM Tariff allows, whichever is greater. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.

6.7 Meter Failure: Under Section 1.6, the Customer is considered a Wholesale LSE and provisions governing the process for estimating meter data in situations where the meter or associated communications equipment are unable to provide data back to Mon Power for processing are governed by PJM OATT Attachments M-1 and M-2 (FirstEnergy Zones).

ARTICLE 7: COMPLIANCE WITH PJM TARIFF AND PJM MANUALS

7.0 Definitions. Capitalized terms in this Article 7 not defined herein shall have the meaning ascribed to them by the PJM Tariff and/or the applicable PJM Manuals.

7.1 General:

- a) Customer is responsible for complying with all applicable PJM Tariff and PJM Manual requirements. Unless otherwise agreed, Mon Power shall have only such responsibilities to assist Customer in meeting its obligations, as shall be required

pursuant to the PJM Tariff and/or PJM Manuals and this Agreement including those agreed to under provisions of Appendix 1.

- b) Mon Power shall perform all calculations as it relates to the determination of Hourly Energy Obligations, Peak Load Share, and Network Service Peak Load under PJM OATT Attachments M-1 and M-2 (FirstEnergy Zones) based on metering equipment at the point of interconnection
 - 1. Calculations requiring information beyond the interconnection meter values may be subject to fees as agreed to under Appendix 1 and billed subject to provisions of Article 8 of this Agreement.
- c) Customer may be responsible for all fees due to Mon Power for services other than those outlined under Section 7.1.b.1 as per Appendix 1 and billed subject to provisions of Article 8 of this Agreement.
- d) The Parties agree to enter into a separate agreement, if necessary, for any additional Customer-owned metering equipment and/or services provided to the Customer by Mon Power, not contained in Appendix 1 of this Agreement.

ARTICLE 8: COMPENSATION

8.1 Compensation for Wholesale Service: The Customer shall pay Mon Power only the rates and charges specified in this Section 8.1, and accepted by FERC, and for charges pursuant to Section 3.9 that have been accepted by FERC as compensation for Services provided by Mon Power to the Customer pursuant to this Agreement.

8.1.1 Wholesale Distribution Rates: The Customer shall pay wholesale distribution charges using the rates for Services taken over distribution facilities as specified in Appendix 1.

- 8.2 Notice:** Mon Power shall provide notice in writing to Customer of any proposed changes to the rates and charges set forth herein. Customer and Mon Power shall cooperate to revise this agreement to reflect any changes pursuant to Section 3.0 that have been accepted by FERC.
- 8.3 Losses:** The losses to be used to gross-up readings of the Delivery Point are specified in Appendix 1.
- 8.4 Billing and Payments:** Wholesale distribution charges contained in Appendix 1 will be billed to Customer as set forth under the PJM Tariff. The PJM Tariff billing and payment rules and regulations will apply to such billing and payments to be made by the Customer.
- 8.5 Disputes:** All invoices (whether or not disputed) shall be paid in full under the conditions specified in this Article 8. Disputes will be submitted for settlement under the procedures specified under Article 11. Any portion of the invoice in dispute shall be paid into an independently administered escrow account to be established with a qualified depository institution, where the funds will be held pending resolution of the dispute. Within thirty (30) calendar days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount determined to be due, by full or partial disbursement of the funds held in escrow, together with interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19(a)(2)(iii). Any amounts remaining in the escrow account following such disbursement shall be made available to the Party that made the payments into the escrow account.
- 8.6 Taxes:** It is expressly agreed by the Parties that, as part of 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 or similar taxes (other than taxes based on or measured by net income), as applicable, 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, such supplying Party shall be fully compensated by the other Party for such direct taxes. Upon the timely request by (and at the sole expense of) the other Party, the supplying Party shall appeal, protest, seek abatement or otherwise contest any tax imposed by any taxing authority for which the other Party may be required to reimburse the supplying Party. The other Party shall pay to the supplying Party on a periodic basis, as invoiced by the supplying Party, the documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. The supplying Party reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including settlement of claim, provided the supplying Party shall cooperate and consult in good faith with the other Party regarding the conduct of such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by the other Party to the supplying Party for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, the other Party will be responsible for all taxes, interest, and penalties, other than any penalties attributable to any delay caused by the supplying Party.

ARTICLE 9: OPERATING COMMITTEE

- 9.1 Purpose:** An Operating Committee consisting of a representative and alternate from each Party familiar with the day-to-day operations of their respective systems shall be established to coordinate and implement, on an ongoing basis, the terms and conditions of this Agreement, including planning, operating, scheduling, redispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other considerations. Each Party shall evidence its appointments to the Operating Committee by written notice to the other Party and, by similar notice, each Party may change its representative and/or alternate to the Operating Committee.
- 9.2 Membership:** Each member and alternate shall be a responsible person working with the day-to-day operations of their respective system. The Operating Committee shall represent Mon Power and Customer in all matters arising under this Agreement and which may be delegated to it by mutual agreement of the Parties hereto.
- 9.3 Meetings:** The Operating Committee shall meet or otherwise conference at the request of either Party upon reasonable notice and each Party may place items on the meeting agenda. All proceedings of the Operating Committee shall be conducted by its members taking into account the exercise of Good Utility Practice.
- 9.4 Operating Committee Disputes:** If the Operating Committee is unable to agree on any matter coming under its jurisdiction within 30 days after it is presented, that matter shall be submitted for settlement under the procedures specified in Article 11, or otherwise, as mutually agreed by the Customer and Mon Power.

ARTICLE 10 – FINANCIAL RESPONSIBILITY

10.1 Allocation of Responsibility: Except to the extent otherwise required by law, each Party (the “Indemnifying Party”) shall defend, indemnify and hold harmless the other Party (the “Indemnified Party”), and the Indemnified Party’s officers, shareholders, members, managers, Representatives, directors, agents and employees, from and against any and all claims and/or liabilities for losses, costs or expenses (including to third parties), damage to property, injury to or death of any person, or any other liability incurred by the Indemnified Party, including reasonable attorneys’ fees (each a “Covered Claim”), in any manner directly or indirectly arising from or contributed to by the provision of service or the construction of facilities by the Indemnifying Party under this Agreement, except to the extent that the losses, expenses or damage were caused wholly or in part by any negligence or willful misconduct of the Indemnified Party. The Indemnified Party agrees to provide the Indemnifying Party with notice of any claim made against the Indemnified Party for which the Indemnifying Party may be responsible under this Section. To the extent that Customer and Mon Power are jointly liable for a Covered Claim, then liability for such Covered Claim shall be allocated between them in accordance with applicable laws of comparative fault or joint liability in effect at the time liability under a Covered Claim arises.

10.2 Consequential Damages: Except as provided in Section 10.1, no Party nor any of its Affiliates, members, shareholders, officers, directors, employees, agents, successors or assigns shall be liable under this Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, to the other Party or any of its Affiliates, members, shareholders, officers, directors, employees, agents, successors or assigns for

incidental, punitive, special, indirect, multiple, exemplary or consequential damages (including without limitation, reasonable, attorneys' fees, litigation costs, lost profits or revenues, or loss of good will) connected with or resulting from performance or non-performance of this Agreement.

ARTICLE 11: ARBITRATION

11.1 Submission to Arbitration: No dispute arising under this Agreement may be submitted to arbitration unless the Parties have made a good faith attempt to resolve such dispute by referral to the Operating Committee. The Operating Committee will seek to resolve the dispute within 30 days unless otherwise agreed by the Parties. In the event the dispute is not resolved by the Operating Committee, the dispute may, if both Parties agree, be submitted to binding arbitration in the manner hereinafter provided. Arbitration is limited to disputes 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. In the event the matter is not submitted to binding arbitration, either Party may invoke other dispute resolution procedures to the full extent permitted by law.

11.2 Appointment of Arbitrators: In the event that the Parties determine that a disagreement should be resolved through binding arbitration, the Parties shall set forth in writing 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 to agree on an arbitrator within a period of fifteen (15) business days from the receipt of the original notice, either Party may 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) business days after the receipt of such call, appoint a second arbitrator, and the two arbitrators so appointed shall choose and appoint a third arbitrator. In case such other Party fails to appoint an arbitrator within said ten (10) business days, or in case the two so appointed fail for ten (10) business days to agree upon and appoint a third, the Party calling for the arbitration, upon five (5) business days' written notice delivered to the other Party, shall apply to the person who at the time shall be the most senior Judge of a United States District Court having jurisdiction for appointment of the second or third arbitrator, as the case may be.

11.3 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, and may be challenged only in the manner and to the extent permitted by West Virginia law. If there is a single arbitrator, the Parties shall split evenly the costs of a single arbitrator, unless the award shall specify a different division of the costs. If there is a board of arbitrators, each Party shall pay for the services and expenses of the arbitrator appointed on its behalf, and they shall split evenly the costs of the neutral arbitrator, unless the award shall specify a different division of the costs. All other costs incurred in connection with the arbitration shall be paid by the Party incurring them.

11.4 FERC Jurisdiction: The determination of a matter in dispute pursuant to arbitration hereunder shall not operate to limit or displace FERC's statutory jurisdiction over any such matter. Accordingly, following the completion of arbitration procedures, either Party may seek FERC review of the arbitration decision, but only to the extent the arbitration decision affects matters subject to FERC's statutory jurisdiction. Nothing herein shall affect the statutory exemption from FERC jurisdiction available to Customer, if applicable, under Section 201(f) of the Federal Power Act.

ARTICLE 12: TERM AND TERMINATION OF AGREEMENT

12.1 Effective Date, Terms and Termination: This Agreement shall be effective as of the date first written above, 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 the date falling on the tenth (10th) anniversary of the date hereof (the "Initial Term"). The Agreement will remain in effect thereafter for successive twelve (12) month periods ("Renewal Terms") unless it is terminated in whole pursuant to Section 12.2.

12.2 Notice of Termination: Either Party may terminate this Agreement effective after the Initial Term or the end of a Renewal Term by providing to the other Party at least twelve (12) month's advance written notice of its intent to terminate this Agreement.

12.3 Other Permitted Termination: Notwithstanding Sections 12.1 and 12.2, this Agreement may be terminated earlier (a) if the Parties mutually agree or (b) as otherwise expressly provided for in this Agreement following the expiration of any required notice and opportunity to cure. Both Parties reserve their right to seek relief from FERC or a court of competent jurisdiction with respect to any such termination.

ARTICLE 13: REGULATORY AUTHORITIES

- 13.1 Regulatory Authorities:** This Agreement is made subject to the jurisdiction of any Governmental Authority or authorities having jurisdiction over the Parties, the systems of the Parties, this Agreement, and the subject matter hereof. Nothing contained in this Agreement shall be construed as affecting in any way, the right of a Party furnishing service under this Agreement to unilaterally make application to FERC for a change in the rates and charges or other terms and conditions of this Agreement under Section 205 of the Federal Power Act and pursuant to FERC's Rules and Regulations promulgated thereunder or any Party receiving service to file a complaint seeking changes in rates and charges or other terms and conditions of this Agreement under Section 206 of the Federal Power Act.
- 13.2 Adverse Regulatory Change:** Following execution of this Agreement, Mon Power shall file it with FERC. The Customer shall not protest the filing and Mon Power may represent in its filing that the Customer supports the filing. Each Party hereby agrees to not, directly or indirectly, aid or support any person or entity that protests or intervenes in such filing before FERC. Any material changes or conditions imposed by FERC or any other Governmental Authority with competent jurisdiction 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, shall be cause for termination of this Agreement upon thirty (30) days' prior written notice by the non-consenting Party to the other party hereto.

ARTICLE 14: OTHER

- 14.1 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. This Agreement shall not be assigned by any Party without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that consent shall not be required if the assignment is to a successor to which substantially all of the business and assets of such Party shall be transferred or to an Affiliate of the assigning Party for the purposes of a corporate restructuring.
- 14.2 Waivers:** Any waiver at 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, shall not be deemed a 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.
- 14.3 Liability:** 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. 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 a representative of PJM has 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 authorized officer shall not in any way be deemed to imply that the 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.

14.4 Choice of 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, by the applicable laws of the State of West Virginia.

14.5 Counterparts: This Agreement may be executed in two or more counterparts and each such counterpart shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

14.6 Confidentiality: Except as otherwise provided by law, no Party shall disclose to third parties (which term does not include agent, attorneys and consultants, who shall be required to comply with this Section) Confidential Information obtained from the other Party pursuant to this Agreement except in order to comply with the requirements of FERC, NERC, PJM, or other Governmental Authority. Each Party shall use reasonable efforts to prevent or limit the disclosure required to third parties under this Section.

14.7 Regulatory Reporting: Each Party shall provide information reasonably requested by the other Party to satisfy regulatory reporting requirements, subject to Section 14.6.

14.8 Limitation of Customer Obligation: No obligation under this Agreement shall constitute or effect a legal or equitable pledge, charge, lien or encumbrance upon any property of the Customer municipality or upon any of its income, receipts or revenues, except the revenues of the Customer municipality's electric power system.

ARTICLE 15: NOTICES

15.1 Any notice given pursuant to this Agreement shall be in writing as follows:

If to Mon Power:

FirstEnergy Service Company
Manager, FERC & Wholesale Connection Support
76 South Main Street – 10th Floor
Akron, Ohio 44308

If to Customer:

The City of Philippi
P.O. Box 460
Philippi, WV 26416
Attn: Karen Weaver, City Manager

If to PJM:

Vice President – Government Policy
PJM Interconnection, L.L.C.
1200 G Street, NW, Suite 600
Washington, D.C. 20005

And

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

15.2 The above names and addresses of any Party and/or PJM may be changed at any time by notice to the other Party.

IN WITNESS WHEREOF, the Parties executed by their respective officers lawfully authorized so to do.

Service Agreement No. 4717

THE CITY OF PHILIPPI

By: __/s/ Karen N. Weaver_____

Name: __Karen N. Weaver_____

Title: __City Manager_____

MONONGAHELA POWER COMPANY

By: __/s/ Richard A. Ziegler_____

Name: _____Richard A. Ziegler_____

Title: Director – FERC & Wholesale Technical Support

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 the 25th day of October, 2017.

Service Agreement No. 4717

PJM INTERCONNECTION, L.L.C.

By: _____ /s/ Steven R. Herling _____

Name: _____ Steven R. Herling _____

Title: _____ Vice President, Planning _____

APPENDIX 1

Delivery Points, Wholesale Distribution Rates, Losses

1. The respective Parties shall be interconnected at the Interconnection Point(s) described below:

	Interconnection Point	Voltage (kV)	Monthly Distribution Charge (\$/month*)	On – peak Loss Factor (%)**	Off – peak Loss Factor (%)**
1.1	Philippi	23 kV	\$2,735.17/month	1.0339	1.02837

1.1 a) Interconnection Point: The point hereby designated and hereinafter called “Philippi Interconnection Point”.

b) Interconnection Point Description: The point of interconnection is that point where Mon Power is connected to Philippi.

c) Revenue Metering Description: Mon Power’s 23 kV revenue metering located on Mon Power’s 23 kV distribution system

d) Revenue Meter Loss Compensation: n/a

e) Revenue Meter Data Submission: Mon Power to PJM’s InSchedule

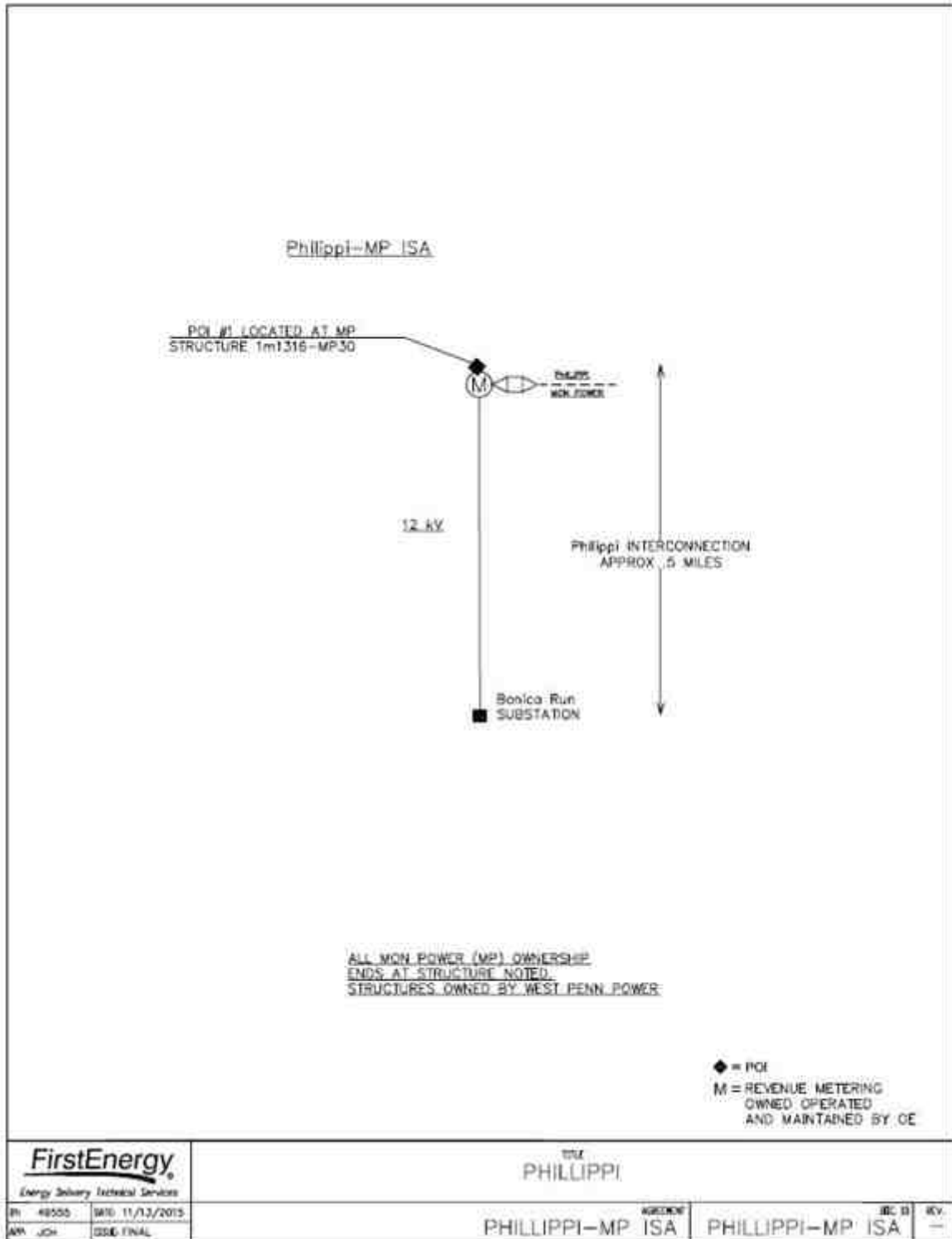
f) Operational Metering: n/a

g) Part of FE East or FE South EHV Loss calculation(Y/N)? n/a

* The Wholesale Distribution Rates applicable to the Customer’s Delivery Points are set forth in the currently effective Network Integration Transmission Service Agreement(s) on file with the FERC.

** The loss factors are set for the in PJM OATT Attachments M-1 and M-2 (FirstEnergy Zones) on file with the FERC. On-Peak is defined as hours ended 8am to 11pm EPT Monday through Saturday.

APPENDIX 1
Figure 1
Philippi Interconnection Point



** Does not represent exact meter location or meter count. This is meant to be an abstract view of the meter location(s).

APPENDIX 2

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.

“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) became 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 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.

“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.

“Representatives” – shall mean 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.

IN WITNESS WHEREOF, the Parties executed by their respective officers lawfully authorized

so to do.

Service Agreement No. 4717

THE CITY OF PHILIPPI

By: Karen N. Weaver

Name: Karen N Weaver

Title: City Manager

MONONGAHELA POWER COMPANY

By: Richard A Ziegler

Name: Richard A-Ziegler

Title: Director - FERC & RFD Technical Support

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 the 25 day of October 2017.

Service Agreement No. 4717

PJM INTERCONNECTION, L.L.C.

By: 

Name: STEVEN R. HERLING

Title: VICE PRESIDENT, PLANNING