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October 31, 2019

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, DC 20426-0001

*Re: PJM Interconnection, L.L.C., Docket No. ER20-~~254~~- 000
Revisions to PJM Open Access Transmission Tariff for Wabash Valley Power
Association, Inc.*

*PJM Interconnection, L.L.C., Docket No. ER20-~~256~~-000
PJM Consolidated Transmission Owners Agreement for Wabash Valley Power
Association, Inc.*

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Federal Energy Regulatory Commission (“FERC” or “Commission”) regulations,² PJM Interconnection, L.L.C. (“PJM”) and Wabash Valley Power Association, Inc. (“Wabash Valley”) hereby jointly submit for filing with the Commission the following proposed revisions to the PJM Open Access Transmission Tariff (“Tariff”) and the PJM Consolidated Transmission Owners Agreement (“CTOA”):

- i. Tariff, Attachment L revised to include Wabash Valley as a PJM Transmission Owner; and
- ii. A signature page to the CTOA, executed by Wabash Valley, and revised CTOA, Attachment A adding Wabash to the list of PJM Transmission Owners.³

¹ 16 U.S.C. § 824d.

² 18 C.F.R. Part 35.

³ Due to eTariff restrictions, the proposed revisions to the Tariff and the CTOA will be filed under separate cover using the same transmittal letter with specified attachments corresponding to each filing.

PJM and Wabash Valley request an effective date of December 31, 2019, for the revised Tariff section and CTOA section proposed herein.

I. BACKGROUND

Wabash Valley is a generation and transmission cooperative with its principal place of business in Indianapolis, Indiana. Incorporated in 1963, Wabash Valley is a non-profit corporation organized and existing pursuant to the Indiana Nonprofit Corporation Act. Wabash Valley was formed by its members for the purpose of providing wholesale power and transmission service to its members for resale to their retail customers.

Within Whitley County, Indiana, which is located in PJM, Wabash Valley owns: (i) one 345 kilovolt (“kV”) tap station that taps the Indiana Michigan Power Company 345 kV circuit commonly referred to as the Sorenson to Twin Branch circuit at the point of interconnection with the Meridian to East Whitley 345 kV transmission line (“Meridian 345 kV Tap Station”); and (ii) a 345 kV transmission line of approximately 7.73 miles in length connecting the Meridian 345 kV Tap Station and the East Whitley substation (“Meridian to East Whitley 345 kV Transmission Line”) (collectively, the Meridian 345kV Tap Station and Meridian to East Whitley 345 kV Transmission Line are referred to as the “Wabash Facilities”). Currently, the Wabash Facilities are operated in parallel with American Electric Power Service Corporation’s (“AEP”) transmission facilities with which they are interconnected, integrated in PJM’s operations, and under PJM’s functional control through AEP.

Reliability First Corporation (“Reliability First”) recently determined that the Wabash Facilities are bulk electric system facilities necessary for the reliable operation of the bulk electric system and, as a result, Wabash Valley must register with North American Electric Reliability

Corporation (“NERC”) as a transmission owner with respect to the Wabash Facilities. Therefore, in addition to becoming a NERC-registered transmission owner and to facilitate such registration, Wabash Valley reached out to PJM to be become a transmission owner under the PJM CTOA for the Wabash Facilities. As a PJM transmission owner, Wabash Valley must itself perform or must contract with another entity to perform transmission operator (“TOP”) functions. PJM performs certain TOP functions for nearly all transmission owners and assigns other TOP requirements to its transmission owners for transmission facilities in the PJM region, including the Wabash Facilities. PJM and Wabash Valley entered into agreement for Wabash Valley that addresses, *inter alia*, transition of the applicable TOP requirements assigned by PJM to the transmission owners within PJM from AEP to Wabash Valley.⁴

Based on the foregoing, PJM and Wabash Valley propose to revise the PJM Tariff and CTOA to establish Wabash Valley as a transmission owner within PJM. Wabash Valley satisfies the eligibility criteria set forth in Section 3.1 of the CTOA for becoming a PJM transmission owner under the CTOA. The Wabash Facilities meet the definition of Transmission Facilities set forth in CTOA, Section 1.27. Further, PJM exercises functional control over the Wabash Facilities, and will continue to do so for the foreseeable future. Wabash Valley executed and became a signatory to the CTOA on October 25, 2019.

II. DESCRIPTION OF PROPOSED REVISIONS TO THE TARIFF AND CTOA

A. Tariff, Attachment L

Tariff, Attachment L contains a list of the Transmission Owners under the PJM Tariff. Tariff, section 1 states that “‘Transmission Owner’ shall mean a Member that owns or leases with

⁴ Agreement to Explore the Transition of Wabash Facilities in the PJM Region to Wabash Valley Power Association, Inc., dated October 10, 2019, attached hereto as Exhibit A (“Transition Agreement”).

rights equivalent to ownership Transmission Facilities and is a signatory to the PJM Transmission Owners Agreement. . . .” The CTOA also includes a similar definition at section 1.28. As discussed earlier herein, Wabash Valley satisfies the eligibility criteria to become a “Transmission Owner” under the CTOA and executed the CTOA. Accordingly, Wabash Valley is a Transmission Owner under the Tariff and, as a result, PJM now proposes to include Wabash Valley in the list of Transmission Owners under Tariff, Attachment L.

B. CTOA, Attachment A

PJM submits a signature page to the CTOA executed by an authorized officer of Wabash Valley and a revised CTOA, Attachment A including Wabash Valley in the list of PJM transmission owners. As set forth above, Wabash Valley satisfies the eligibility criteria to become a PJM transmission owner under the CTOA because, *inter alia*, it owns facilities that are operated as part of the PJM transmission system. As such, Wabash Valley became a party to the CTOA through its execution of the signature page submitted herewith.

III. EFFECTIVE DATE

PJM and Wabash Valley request an effective date of December 31, 2019, for the attached PJM Tariff and CTOA sections, which is at least sixty days after the date of this filing.

IV. DOCUMENTS ENCLOSED

Attached to this transmittal letter are the following documents:

1. Attachment A - Revised Tariff, Attachment L (Marked Format);
2. Attachment B - Revised Tariff, Attachment L (Clean Format); and
3. Exhibit A – a copy of the Transition Agreement.

V. CORRESPONDENCE AND COMMUNICATIONS

The parties request that communications concerning the instant filing be directed to the persons listed below (with electronic service as noted) and that the listed persons be included on the Commission's service list for this proceeding:

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* Electronic service requested.

VI. SERVICE

PJM served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In compliance with the Commission's regulations,⁵ PJM will (i) post a copy of this filing to the Commission filings section of PJM's website, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> (with a specific link to the newly-filed document); and (ii) send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁶ alerting them that this filing has been made by PJM and is available by following the above-referenced link. If the document is not immediately accessible by using the link set forth above, the document will be available through the referenced link within twenty-four hours of the filing. Furthermore, a copy of this filing will be available on FERC's eLibrary website at

⁵ See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

⁶ PJM already maintains, updates, and regularly uses email lists for all PJM Members and affected state commissions.

<https://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

Respectfully submitted,

/s/ Randolph G. Holt

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Attachment A

Revisions to the PJM Open Access Transmission Tariff

(Marked / Redline Format)

ATTACHMENT L
List of Transmission Owners

Allegheny Electric Cooperative, Inc.
American Transmission Systems, Incorporated
Atlantic City Electric Company
Baltimore Gas and Electric Company
Essential Power Rock Springs, LLC
Delmarva Power & Light Company
Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc.
East Kentucky Power Cooperative, Inc.
Hudson Transmission Partners, LLC
ITC Interconnection LLC
Jersey Central Power & Light Company
Mid-Atlantic Interstate Transmission, LLC
Neptune Regional Transmission System, LLC
Old Dominion Electric Cooperative
PECO Energy Company
Pennsylvania Power & Light Company
Potomac Electric Power Company
Public Service Electric and Gas Company
Rockland Electric Company
Trans-Allegheny Interstate Line Company
Transource West Virginia, LLC
UGI Utilities, Inc.
Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company,
all doing business as Allegheny Power
Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc.
The Dayton Power and Light Company
AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power
Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power
Company, Ohio Power Company and Wheeling Power Company)
Duquesne Light Company
Virginia Electric and Power Company
Linden VFT, LLC
City of Cleveland, Department of Public Utilities, Division of Cleveland Public Power
City of Hamilton, OH
Southern Maryland Electric Cooperative, Inc.
Ohio Valley Electric Cooperative
AMP Transmission, LLC
Wabash Valley Power Association, Inc.

Attachment B

Revisions to the PJM Open Access Transmission Tariff

(Clean Format)

ATTACHMENT L
List of Transmission Owners

Allegheny Electric Cooperative, Inc.
American Transmission Systems, Incorporated
Atlantic City Electric Company
Baltimore Gas and Electric Company
Essential Power Rock Springs, LLC
Delmarva Power & Light Company
Duke Energy Ohio, Inc.
Duke Energy Kentucky, Inc.
East Kentucky Power Cooperative, Inc.
Hudson Transmission Partners, LLC
ITC Interconnection LLC
Jersey Central Power & Light Company
Mid-Atlantic Interstate Transmission, LLC
Neptune Regional Transmission System, LLC
Old Dominion Electric Cooperative
PECO Energy Company
Pennsylvania Power & Light Company
Potomac Electric Power Company
Public Service Electric and Gas Company
Rockland Electric Company
Trans-Allegheny Interstate Line Company
Transource West Virginia, LLC
UGI Utilities, Inc.
Monongahela Power Company, The Potomac Edison Company, and West Penn Power Company,
all doing business as Allegheny Power
Commonwealth Edison Company and Commonwealth Edison Company of Indiana, Inc.
The Dayton Power and Light Company
AEP East Operating Companies (Appalachian Power Company, Columbus Southern Power
Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power
Company, Ohio Power Company and Wheeling Power Company)
Duquesne Light Company
Virginia Electric and Power Company
Linden VFT, LLC
City of Cleveland, Department of Public Utilities, Division of Cleveland Public Power
City of Hamilton, OH
Southern Maryland Electric Cooperative, Inc.
Ohio Valley Electric Cooperative
AMP Transmission, LLC
Wabash Valley Power Association, Inc.

Exhibit A

Transition Agreement of Wabash Facilities in the PJM Region
to Wabash Valley Power Association, Inc.

**AGREEMENT TO EXPLORE THE TRANSITION OF WABASH FACILITIES IN THE
PJM REGION TO WABASH VALLEY POWER ASSOCIATION, INC.**

This Agreement to Explore the Transition of the Wabash Facilities in the PJM Region to **Wabash Valley Power Association, Inc.** ("Agreement"), dated October 10, 2019, by and between,

Wabash Valley Power Association, Inc. ("Wabash"); a corporation organized under the laws of Indiana and

PJM Interconnection, L.L.C. ("PJM"), a limited liability company organized under the laws of Delaware

(Each a "Party" and together, "Parties").

Whereas, Wabash owns the Transmission Facilities described below:

1. In Whitley County, Indiana, Wabash owns one 345 kilovolt ("kV") tap station that taps the Indiana Michigan Power Company 345 kV circuit commonly referred to as the Sorenson to Twin Branch circuit at the point of interconnection with the Meridian to East Whitley 345 kV transmission line ("Meridian 345 kV Tap Station").
2. In Whitley County, Indiana, Wabash owns a 345 kV transmission line of approximately 7.73 miles in length located in Whitley County, Indiana connecting the Meridian 345 kV Tap Station and the East Whitley substation ("Meridian to East Whitley 345 kV Transmission Line").

(The Meridian 345kV Tap Station and Meridian to East Whitley 345 kV Transmission Line are together referred to as the "Wabash Facilities").

Whereas, the Wabash Facilities have been determined by Reliability First Corporation ("RF") to be necessary for the reliable operation of the Bulk Electric System ("BES");

Whereas, the Wabash Facilities serve one customer that is a large industrial load and is not a member of Wabash;

Whereas, PJM is the regional transmission organization ("RTO") comprised of interconnected electric transmission systems in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, North Carolina, and the District of Columbia;

Whereas, PJM is the Transmission Operator ("TOP"), as that term is defined by the North American Electric Reliability Corporation ("NERC"), for the transmission system that it administers, as well as the transmission provider under, and the administrator of, the PJM Tariff, operates the PJM Interchange Energy Market and Reliability Pricing

Model, administers the Regional Transmission Expansion Planning Process ("RTEPP"), and controls the day-to-day operations of the bulk power system of the PJM Region;

Whereas, the Wabash Facilities are already under PJM's functional control through American Electric Power Service Corporation ("AEP");

Whereas, in order to explore transition of the applicable TOP requirements assigned by PJM to the Transmission Owners ("TO") ("applicable TO-TOP obligations") as they pertain to the Wabash Facilities from AEP to Wabash, PJM will be required to incur Transition Costs, as defined herein; and

Whereas, the Parties accordingly enter into this Agreement to provide for the payment of Transition Costs by Wabash to PJM.

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, and intending to be legally bound thereby, and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1 GLOSSARY AND RULES OF CONSTRUCTION

Unless the context otherwise specifies or requires, capitalized terms used in this Agreement shall have the meanings assigned or referred to in this Article 1 (such definitions to be equally applicable to both the singular and the plural forms of the terms defined). Unless otherwise specified, all references to articles or sections are to articles or sections of this Agreement. Exhibits and schedules referred to in this Agreement are incorporated herein and made a part hereof. As both Parties have been involved in the drafting of this Agreement and represented by competent counsel, no rule that a contract shall be construed against the drafter shall be applied to the construction or interpretation of this Agreement.

1.1 "Capitalized Transition Costs" shall have the meaning stated in section 4.1.2.

1.2 "Completion Date" shall mean the earliest date on which both of the following conditions have occurred: (1) PJM has commenced to serve as the transmission provider under the PJM Tariff with respect to the Wabash Facilities; and (2) PJM has commenced to perform all functions on behalf of Wabash allocated to PJM under section 3.2.1 in the Control Area of Transmission Owner.

1.3 "Control Area" shall have the meaning stated in the Operating Agreement.

1.4 "Directly Assigned Transition Costs" shall have the meaning stated in section 4.1.3.

1.5 “Effective Date” of this Agreement shall be as provided in section 2.1.

1.6 “Transition Costs” shall have the meaning stated in section 4.1.1.

1.7 “FERC” shall mean the Federal Energy Regulatory Commission or any successor federal agency, commission or department exercising jurisdiction over the PJM Tariff, Transmission Owners Agreement, Operating Agreement, or the Reliability Assurance Agreement.

1.9 “Interim Transition Transmission Expenses” shall have the meaning stated in section 4.1.4.1.

1.9 “ISO” shall mean Independent System Operator as that term is defined by the FERC.

1.10 “Operating Agreement” shall mean the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., as in effect and which may be amended from time to time.

1.11 “Party” or “Parties” shall have the meaning stated in the preamble.

1.12 “PJM Tariff” shall mean the PJM Open Access Transmission Tariff providing transmission and other related services within the PJM Region, including any schedules, appendices, attachments, charts, annexes, or exhibits attached thereto, as in effect and which may be amended from time to time.

1.13 “PJM Region” shall have the meaning stated in the Operating Agreement.

1.14 “Project Transition Plan(s)” shall have the meaning stated in section 3.2.5.

1.15 “Reliability Assurance Agreement” shall mean the PJM Reliability Assurance Agreement Among Load-Serving Entities in the PJM Region as in effect and which may be amended from time to time.

1.16 “RTO” shall mean Regional Transmission Organization as that term is defined by the FERC.

1.17 “Transmission Facilities” shall have the meaning stated in the Operating Agreement.

1.18 “Transmission Owners Agreement” shall mean the Consolidated Transmission Owners Agreement (Rate Schedule FERC No. 42) among PJM and Certain Owners of Electric Transmission Facilities, as may be amended from time to time.

ARTICLE 2 EFFECTIVE DATE

2.1 Effective Date Not Subject to Regulatory Approval. The Effective Date of this Agreement shall occur upon execution by the Parties and shall not be conditioned upon whether regulatory approval of this Agreement is sought or obtained. Wabash shall fulfill its payment obligations under this Agreement without regard to whether any regulatory authority has asserted jurisdiction over the Agreement or approved, disapproved, or conditioned, any provision of this Agreement, or any other agreement related to the establishment or potential establishment of PJM as the RTO or system operator for the Wabash Facilities.

ARTICLE 3 PARTIES' UNDERTAKINGS IN FURTHERANCE OF TRANSITION OF THE WABASH FACILITIES

3.1 Undertakings to Execute Agreements and Seek Regulatory Approvals from the FERC.

3.1.1 It is agreed that, to transition Wabash to a PJM Transmission Owner and Transmission Owner for purposes of RF and NERC compliance obligations, the Wabash Facilities to NERC-registered BES Transmission Facilities, it will or may be necessary to amend the following documents: (a) Consolidated Transmission Owners Agreement; (b) Reliability Assurance Agreement; (c) Operating Agreement; and (d) PJM Tariff. PJM and Wabash, in the context of PJM's stakeholder review process, shall negotiate in good faith all such amendments. Promptly upon agreement to such amendments, the Parties shall make good faith efforts to initiate all proceedings necessary and appropriate to seek and obtain all regulatory approvals required from the FERC of all such amendments, of the transfer of functional control of the Transmission Facilities to PJM, and of Interim Transition Expenses (see section 4.1.4). The filings to initiate and prosecute such proceedings shall be initiated on or before the date that is sixty (60) days prior to the effective date, established by RF or the North American Electric Reliability Corporation ("NERC"), of Wabash's status as a Transmission Owner for purposes of RF and NERC compliance obligations.

3.1.2 If, in accepting amendments submitted for approval under section 3.1.1, or related agreements or filings in furtherance of PJM's service as the RTO or system operator for the Transmission Facilities, the FERC rejects, modifies or conditions its acceptance of such amendments, agreements or filings, within thirty (30) days of the FERC order rejecting, modifying or otherwise imposing such conditions, the Parties shall either: (1) notify the FERC and each other of their acceptance of any such modification or condition; (2) negotiate with FERC on mutually agreeable terms for the amendment, agreement or filing; or (3) enter into and complete discussions to determine whether the amendment, agreement or filing would be mutually beneficial in light of the FERC's action. If a Party shall determine that the amendment, agreement or filing would not be beneficial, the amendment, agreement, or other filing shall become null and void, provided, that

nothing in this section shall diminish Wabash's obligation to pay all amounts otherwise due to PJM under this Agreement.

3.2 Undertakings to Transition the Applicable TO-TOP Obligations for the Wabash Facilities.

3.2.1 "Wabash Transition" shall mean the upgrade, modification, development, design, or acquisition by PJM of any new or existing hardware, software, systems, or facilities of PJM of any kind or description, or any other work required or appropriate to be performed as more specifically set forth in the Project Transition Plans; *provided however*, that the Parties acknowledge and agree that the internal timing milestones described in the Project Transition Plans provide guidance and estimates based on present assumptions relating to the Wabash Transition and should not be construed as firm obligations on the part of Wabash or PJM. If the Parties so agree, PJM shall continue to serve as the RTO or system operator for the Wabash Facilities on behalf of Wabash and administer the PJM markets to include the Wabash Facilities within the AEP zone in PJM. By way of further explanation, and not in qualification of the above, Wabash Transition shall not include any upgrade, expansion, modification, development, design, acquisition, or other work in furtherance of expansion of the PJM Region to include the Transmission Facilities of any entity that is not a Party to this Agreement or any other development or expansion of PJM.

3.2.2 Transition Goals. Upon completion of the Wabash Transition, and if the Parties so agree, PJM shall continue to exercise functional control over the Wabash Facilities. PJM shall make good faith efforts to achieve such functionality in accordance with the goals stated in the Project Transition Plans as defined in Section 3.2.5.

3.2.3 PJM Staffing. Nothing in this Agreement shall require that PJM (a) increase internal staffing to perform the Wabash Transition or (b) allocate staff in a manner that PJM determines may jeopardize its ability to meet its obligations as the RTO for any Control Area where it serves in such capacity.

3.2.4 Designees for Contract Administration. By Notice, each Party shall designate in writing an individual who shall have the primary responsibility of administering responsibilities under this Agreement and shall designate an alternate to perform such responsibilities in the event the primary designee is unavailable (the primary or alternate designee, as applicable, is referred to as the "Project Designee"). A Party may change its designations by Notice.

3.2.5 "Project Transition Plan(s)" shall mean the plans for each timeline for Wabash Transition, as applicable, on or before the dates provided in Schedule 3.2.5 attached hereto or as amended by the Parties from time to time in accordance with this section. It is recognized that Wabash or PJM may reasonably determine, from time to time, that changes to the Project Transition Plans are necessary or appropriate to achieve economies, efficiencies, or the success the Wabash Transition or other PJM projects. In such event, the Party making such determination shall give Notice to the other Party of the change and the Parties shall in good faith negotiate amendments to the Project

Transition Plans, provided, that Wabash shall not unreasonably withhold consent to reasonable changes to the Project Transition Plans proposed by PJM, and provided further, that nothing in this section shall override the rights of Wabash under section 4.2. Furthermore, it is recognized by PJM that Wabash requires full transition of the applicable TO-TOP obligations for the Wabash Facilities to Wabash and PJM by the first clock minute of the date established by RF or NERC as the effective date of Wabash's status as a Transmission Owner, as that term is defined by RF and NERC, for purposes of RF and NERC compliance; and that the Project Transition Plans will be structured, and PJM will use best efforts, to meet that goal. Except as otherwise expressly stated herein, the Project Transition Plans shall be modified only if agreed to by the Parties.

3.2.6 PJM Requests for Information. Wabash shall respond, at its own cost, with a full and timely good faith effort to all reasonable requests for information or technical support made by PJM from time to time to facilitate the Wabash Transition.

3.2.7 Financing Condition. It is understood that subject to reimbursement (see section 4.1.2.2), PJM may be required to make initial expenditures to cover Capitalized Transition Costs as defined herein and it is further understood that PJM may lack capital necessary to make such expenditures. It is agreed, therefore, that PJM shall not be required to incur Capitalized Transition Costs until and unless PJM has closed transactions necessary to obtain all required financing for Capitalized Transition Costs in a total amount no less than specified in section 4.1.2.1. PJM agrees to use reasonable best efforts to secure such financing.

ARTICLE 4 ALLOCATION AND PAYMENT OF TRANSITION COSTS

4.1 Definitions and Certain Payment Obligations.

4.1.1 "Transition Costs" are all costs and expenses PJM incurs from the Effective Date of this Agreement through thirty (30) days after the Completion Date in order to perform the Wabash Transition, including the costs of vendors, consultants, independent contractors, PJM employees (including allocable compensation and general and administrative overhead) attributable to the Wabash Transition. In the event Wabash gives Notice under section 5.2 or section 5.3.1 or otherwise does not transfer control of the Wabash Facilities to PJM, Transition Costs shall also include any reasonable suspension, termination and demobilization costs and expenses incurred. PJM will take commercially reasonable measures to mitigate any suspension, termination and demobilization costs.

Transition Costs consist of the following cost categories:

Capitalized Transition Costs (see section 4.1.2)

Directly Assigned Transition Costs (see section 4.1.3)

Interim Transition Expenses (see section 4.1.4)

Suspension, termination and demobilization costs and expenses (if any)

The Parties expect that Transition Costs will be incurred by PJM and recovered by PJM under sections 4.1.2.2, 4.1.3.2 and 4.1.4.2 of this Agreement. The Parties recognize that the cost recovery provisions of this Agreement will minimize PJM's carrying costs for Interim Transition Expenses. The Parties agree that carrying costs for Capitalized Transition Costs will be expensed and that, subject to section 5.4, PJM will recover Capitalized Transition Costs as described in section 4.1.2.2. To the extent that PJM incurs common costs or expenses for transition on common tasks applicable to PJM expansion into any other Control Areas, PJM shall allocate such costs between Transition Costs hereunder and such other Control Areas or regions, as applicable, on the basis of the ratio of the total load of Wabash to the total loads of the other Control Areas or regions benefiting from the common tasks.

4.1.2 Capitalized Transition Costs.

4.1.2.1 "Capitalized Transition Costs" shall mean all Transition Costs that are properly capitalized by PJM according to Generally Accepted Accounting Principles ("GAAP"), excluding any such costs that are Directly Assigned Transition Costs. As of the Effective Date of this Agreement, the Parties estimate that Capitalized Transition Costs, excluding any suspension, termination and demobilization costs and expenses, will be \$0.

4.1.2.2 PJM Recovery of Capitalized Transition Costs. Subject to section 5.3.2, PJM shall recover Capitalized Transition Costs from users of PJM services under Schedule 9 of the PJM Tariff.

4.1.3 Directly Assigned Transition Costs.

4.1.3.1 "Directly Assigned Transition Costs" are: all Transition Costs PJM incurs to conform Wabash's internal systems with PJM's technology and communications requirements, and for PJM to establish telecommunication links with Wabash, as necessary. As of the Effective Date of this Agreement, the Parties estimate that Directly Assigned Transition Costs, excluding any suspension, termination and demobilization costs and expenses, will be \$0.

4.1.3.2 Payment of Directly Assigned Transition Costs. Wabash agrees to fund all applicable Directly Assigned Transition Costs in accordance with the procedures set forth in sections 4.4.1 and 4.4.2.

4.1.4 Interim Transition Expenses.

4.1.4.1 “Interim Transition Transmission Expenses” are all Transition Costs that are properly expensed by PJM according to GAAP, and any carrying costs (including actual or implicit costs of funds), excluding any such costs that are Directly Assigned Transition Costs. As of the Effective Date of this Agreement, the Parties estimate that Interim Transition Expenses will be \$61,000.

4.1.4.2 Payment of Interim Transition Expenses. Wabash agrees to fund Interim Transition Expenses in accordance with the procedures set forth in sections 4.4.1 and 4.4.2.

4.2 Provision of Certain Transition Costs Estimates. As of the Effective Date of this Agreement, the Parties estimate that total Transition Costs, including the costs associated with integrating Wabash-owned Transmission Facilities in the AEP zone, will be \$61,000, excluding any suspension, termination and demobilization costs and expenses. In the event PJM incurs or expects to incur Transition Costs (subject to these exclusions) that exceed this estimate by more than twenty percent (20%), it shall notify Wabash and, without in any way limiting the applicability of Article 5, Wabash may withdraw from the Wabash Transition. In the event Wabash withdraws under this provision, section 5.3.2 shall apply.

4.3 Cost Records and Inspection of Books of Account. PJM shall create and maintain records pertaining to all amounts it is entitled to recover under this Agreement, including records pertaining to Wabash Transition and the performance of all tasks performed hereunder and all payments made to vendors, subcontractors or any other third parties hereunder. Wabash shall have the right, upon 48-hour Notice, to inspect such records at the PJM corporate office during PJM's customary business hours. In the event Wabash determines in good faith that an expenditure attributed to the Wabash Transition should not be so attributed, Wabash shall pay the full amount within such sixty (60) day period and shall receive any refunds as determined in accordance with the dispute resolution procedures set forth in Article 6.

4.4. Deposit and Billing Procedures.

4.4.1 Within three (3) business days after the Effective Date of this Agreement, Wabash shall pay PJM a deposit equal to the total of \$12,200. PJM shall draw payments from deposited funds in accordance with the billing and payment procedures set forth in section 4.4.2. On the tenth business day of each month thereafter, and until the Completion Date, PJM shall provide Wabash with a written forecast of Directly Assigned Transition Costs and Interim Transition Expenses to be incurred during the three-month period commencing with the following month. On or after the date when the FERC issues the required regulatory approval for the Wabash Transition, or issues an order finding that such regulatory approval is not required for the Wabash Transition, and in accordance with the billing and payment procedures set forth in section 4.4.2, Wabash shall deposit with PJM such additional funds as are necessary such that the total amount of funds deposited with PJM equals \$12,200 until such point when PJM's most

recent written forecast delivered pursuant to the immediately preceding sentence is less than that \$12,200, at which time the deposit obligation shall be reduced to an amount that is equal to the written forecast. After the Completion Date, and after all obligations under sections 4.1.3.2 and 4.1.4.2 have been satisfied, PJM shall refund to Wabash any remaining funds on deposit with PJM, if any.

4.4.2 On the 10th business day of each month (or, if such day falls on a Saturday, Sunday, or holiday, on the next business day), PJM shall issue monthly billing statements to Wabash for Directly Assigned Transition Costs under section 4.1.3.2 and Interim Transition Expenses under section 4.1.4.2, and PJM shall deduct such amounts from Wabash's funds on deposit under section 4.4.1 to the extent available. Such statements shall set forth: (a) any additional payments required that were not covered by deposited funds; (b) any additional funds required to be deposited under section 4.4.1; (c) an itemization of the costs and expenses incurred; and (d) an estimate of the remaining Transition Costs. Wabash shall make payment no later than the 20th day of the same month, or if such day falls on a Saturday, Sunday, or holiday, on the next business day.

ARTICLE 5 LIMITATIONS ON AND PAYMENT OBLIGATIONS IN THE EVENT OF WITHDRAWAL

5.1 Withdrawal; Unconditional Character of Payment Obligations.

5.1.1 Limitation on Withdrawal. Except as provided under this Article 5 and in section 4.2, neither Party shall withdraw from this Agreement after the Effective Date.

5.1.2 Payment Obligation. Neither the failure of Wabash to transfer control of the Transmission Facilities to PJM, nor any withdrawal by Wabash from the Wabash Transition, nor any subsequent withdrawal of the Transmission Facilities from PJM's operational control shall excuse or diminish Wabash's obligation to pay all reasonably incurred Transition Costs under this Agreement, except as may be provided in this Article 5. By way of example, but not limitation, the following events shall not excuse or diminish such payment obligations: (a) a failure by Wabash to meet any obligation under sections 3.1.1 or 3.1.2; (b) any action or inaction by the FERC, the Indiana Utility Regulatory Commission, or any other regulatory agency that has the effect of denying or failing to grant any required regulatory approval; (c) any change in law or regulation that reduces or eliminates any regulatory basis or incentive for such transfer of control of the Transmission Facilities to, or retention of control of the Transmission Facilities by, an ISO or RTO; (d) any decision to transfer control, or seek to transfer control, of the Transmission Facilities to an ISO, RTO, or an organization other than PJM that seeks or intends to seek approval from the FERC to serve as an ISO, RTO, or Independent Transmission Provider; or (e) any order of the FERC approving withdrawal of Wabash from this Agreement or the withdrawal of any owner of Transmission Facilities from PJM in any region.

5.2 Suspension for Regulatory Delay. In the event that on or before the date requested in any PJM or Wabash filing, the FERC has not issued an initial order concerning approval or the need for approval of the terms and conditions described in any application by Wabash for authorization to transition applicable TO-TOP obligations for the Wabash Facilities to PJM, and Wabash reasonably believes that such approval or determination regarding the need for approval is not expected to be forthcoming within a reasonable time as will permit integration on the requested terms, then by Notice to PJM, Wabash may suspend the Wabash Transition. In the event of such suspension, Wabash shall compensate PJM for all reasonable documented costs of suspension, including demobilization costs and expenses, and costs, expenses, and penalties incurred in terminating or suspending contracts with consultants, landlords, vendors, and employees. PJM will take commercially reasonable measures to mitigate any suspension, termination and demobilization costs. During the Wabash Transition, PJM will respond to reasonable requests from Wabash for estimates of the costs of suspension that would be due under this section if such suspension were invoked under this section.

5.3 Obligations of Wabash if Wabash Does Not Transition any of the Wabash Facilities or Withdraws from PJM.

5.3.1 Notice; Termination of Transition. If Wabash determines that there is a material possibility that it will not complete the transition of the Wabash Facilities or otherwise determine that it will remove the Wabash Facilities from PJM's operational control under the Operating Agreement and Consolidated Transmission Owners Agreement, such that PJM will not serve as the RTO or system operator with respect to the Wabash Facilities, Wabash shall give Notice to PJM pursuant to section 7.8 as soon as reasonably practicable. Upon receipt of such Notice, PJM and Wabash shall confer and, unless Wabash and PJM agree in writing that the Wabash Transition shall continue, PJM shall immediately commence termination of the Wabash Transition, including demobilization and giving notice of termination or other applicable notice under contracts with third parties. In the event Wabash fails to give Notice under this section, PJM shall not be expected to terminate the Wabash Transition regardless of whether or not PJM is aware of any event or occurrence or circumstance giving rise to the right to give Notice, and PJM may continue the Wabash Transition at Wabash's cost under this Agreement until Notice is given under this section.

5.3.2 Wabash's Obligation to Reimburse PJM for Transition Costs If Wabash Does Not Transition the Wabash Facilities. In the event Wabash gives Notice to PJM under section 5.3.1, withdraws under section 4.2 or otherwise does not transition applicable TO-TOP obligations for the Wabash Facilities, then Wabash shall pay PJM its unpaid Directly Assigned Transition Costs, unpaid Interim Transition Expenses, and Capitalized Transition Costs incurred by PJM and calculated in accordance with Article 4. Reimbursement shall be made first from any amounts on deposit with PJM under section 4.3.1 of this Agreement, and the balance shall be paid to PJM no later than sixty (60) days after PJM issues an invoice therefor, which invoice shall include an itemization of all applicable Transition Costs incurred through the date of such notice. In the event Wabash disputes the amount stated in PJM's invoice, Wabash shall pay the full amount

within such sixty (60) day period and shall receive any refunds as determined in accordance with the dispute resolution procedures set forth in Article 6. The remedies provided herein are not exclusive. If, after Wabash has paid PJM its unpaid Directly Assigned Transition Costs, unpaid Interim Transition Expenses, and Capitalized Transition Costs incurred by PJM and calculated in accordance with Article 4, a positive balance of funds on deposit with PJM remains, PJM shall refund to Wabash such balance within a commercially reasonable period.

5.4 Obligations if Wabash Transitions the Wabash Facilities but Withdraws Control of the Wabash Facilities from PJM Prior to Recovery by PJM of All Capitalized Transition Costs Under the PJM Tariff. In the event Wabash withdraws control of the Wabash Facilities from PJM within three (3) years from the Completion Date, PJM shall issue an invoice to Wabash for Capitalized Transition Costs calculated in accordance with section 4.1.2, if any, that PJM shall not have recovered pursuant to section 4.1.2.2 under the PJM Tariff as of the effective date of such withdrawal. No later than thirty (30) days after receipt of such invoice, Wabash shall pay the amount stated in the invoice. In the event Wabash disputes the amount stated in the invoice, Wabash shall pay the full amount within such sixty (60) day period and shall receive any refunds as determined in accordance with the dispute resolution procedures set forth in Article 6. In the event Wabash withdraws and pays the amounts due under this section, and PJM determines in good faith that some or all of the work product funded through Capitalized Transition Costs will be of recoupable value to PJM, then Wabash and PJM shall negotiate in good faith any appropriate rebate to Wabash of the amounts paid by Wabash under this section.

5.5 Injunctive Relief.

5.5.1 PJM's Rights. Wabash understands and agrees that PJM relies on recovery of expenditures under the PJM Tariff to fund its operations, and that, in the event PJM does not recover any portion of Transition Costs under sections 4.1.2.2, 4.1.3.2, 4.1.4.2, 4.3, 5.1 (and subsections thereof), 5.2, 5.3 (and subsections thereof), or 5.4, PJM will suffer irreparable harm. Therefore, Wabash consents, stipulates, and agrees to the issuance of a temporary, preliminary, and permanent injunction by any federal or state court with jurisdiction to require that Wabash comply with its payment obligations under sections 4.1.2.2, 4.1.3.2, 4.1.4.2, 4.3 5.1 (and subsections thereof), 5.2, 5.3 (and subsections thereof), and 5.4, as applicable. Wabash expressly consents to the personal jurisdiction of any such court located in Delaware for this purpose. PJM's entitlement to a grant of injunctive relief under this section shall be without prejudice to any rights PJM may have to additional remedies at law or in equity.

5.5.2 Wabash's Rights. PJM understands and agrees that in the event that PJM does not comply with its obligations set forth in sections 4.4.1, 5.3.2 or 7.6(ii) Wabash will suffer irreparable harm. Therefore, PJM consents, stipulates, and agrees to the issuance of a temporary, preliminary, and permanent injunction by any federal or state court with jurisdiction to require that PJM comply with its obligations under section 4.4.1, 5.3.2 or 7.6(ii). PJM expressly consents to the personal jurisdiction of any such court located in Delaware for this purpose. Wabash's entitlement to a grant of injunctive relief

under this section shall be without prejudice to any rights Wabash may have to additional remedies at law or in equity.

ARTICLE 6 DISPUTE RESOLUTION

Should a dispute arise under or relating to this Agreement, the Parties shall undertake good-faith negotiations between designated executive representatives with authority to resolve the matter in dispute. In the event such negotiations fail, the dispute shall be subject to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association, to be held in Washington, D.C., and judgment thereon may be entered by a court with jurisdiction; provided, that in the event Wabash fails to make a payment required under this Agreement, PJM, in its sole discretion, may submit the dispute to binding arbitration under this Article, seek injunctive relief under section 5.5, or seek both injunctive and arbitral remedies, and this Article shall not bar such an action for injunctive relief brought by PJM or the grant of such relief therein; provided, further, that in the event PJM fails to make a payment required under section 7.6(ii) or a refund required under this Agreement, Wabash, in its sole discretion, may submit the dispute to binding arbitration under this Article, seek injunctive relief under section 5.5, or seek both injunctive and arbitral remedies, and this Article shall not bar such an action for injunctive relief brought by Wabash or the grant of such relief therein.

ARTICLE 7 ADDITIONAL AND MISCELLANEOUS MATTERS

7.1 Relationship of the Parties. This Agreement shall not be interpreted or construed to create any association, joint venture, or partnership between or among the Parties or to impose any partnership obligation liability upon any Party. No Party shall have the right, power or authority under this Agreement to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

7.2 No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties and their respective successors and permitted assigns and is not intended to and shall not confer any rights or benefits on, any third party (other than the Parties' successors and permitted assigns) that is not a signatory hereto.

7.3 Term and Termination. This Agreement shall be effective upon the Effective Date and shall continue in effect from year to year thereafter unless and until terminated by the terms of this Agreement or by satisfaction of all obligations of each Party.

7.4 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors, but shall not be assigned without the prior written consent of the other Party, and except, in the case of Wabash, to a successor in the operation of the Wabash Facilities by reason of a merger, consolidation, reorganization, sale, spin-off, or foreclosure, as a result of which all or

substantially all such Transmission Facilities are acquired by such a successor and assign, and such successor and assign expressly is made a party to this Agreement.

7.5 Force Majeure No Excuse. The occurrence of an Act of God or event of Force Majeure, as customarily defined, shall neither excuse Wabash from making any payment required under this Agreement, nor excuse PJM from using best efforts to integrate Wabash into PJM as anticipated by section 3.2.5.

7.6 Limitations on Liability. Neither Party shall be liable to the other Party for any claim for damages, whether direct, indirect, actual, incidental, special, punitive or consequential damages, or loss of the other Party, including, but not limited to, loss of profits or revenues, cost of capital of financing, or loss of goodwill arising from such Party's carrying out, or failing to carry out, any obligations contemplated by this Agreement. Notwithstanding the foregoing:

- (i) Wabash shall remain liable with respect to the payment obligations provided in this Agreement;
- (ii) PJM shall be liable in the event it willfully and without justification abrogates its undertakings described in this Agreement or misappropriates or converts deposits or funds advanced hereunder by Wabash; in either event, such liability shall be limited strictly to the return of any misappropriated or converted deposits or funds, together with interest; and
- (iii) provided, however, that nothing herein shall be deemed to reduce or limit the obligation of any Party with respect to the claims of persons or entities not a party to this Agreement.

7.7 Governing Law. This Agreement shall be interpreted, construed and governed by the laws of the State of Delaware without regard to conflicts of law principles.

7.8 Notice. Whether or not expressly stated, all notices, demands, requests and other communications required or permitted by or provided for in this Agreement ("Notice") shall be given in writing to a Party at the address set forth below, or at such other address as a Party shall designate for itself in writing in accordance with this section, and shall be delivered in person, by first class, registered or certified mail, or by overnight courier service:

For all Notices:

PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
Attn: President & CEO

With a copy to:

PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403
Attn: Vincent Duane
Sr. Vice President & General Counsel

Wabash Valley Power Association, Inc. Wabash Valley Power Association, Inc.

6702 Intech Boulevard
Indianapolis, Indiana 46278
Attn: President

6702 Intech Boulevard
Indianapolis, Indiana 46278
Attn: General Counsel

7.9 Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together will constitute one instrument, binding upon the Parties, notwithstanding that all such Parties may not have executed the same counterpart.

7.10 Representations and Warranties.

7.10.1 Each Party represents and warrants to the other Party that, as of the Effective Date of this Agreement as to such Party:

7.10.1.1 It is duly organized, validly existing and in good standing under the laws of the jurisdiction where organized, and qualified to do business in each state in which it is required to be so qualified;

7.10.1.2 The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action on the part of the Party and do not conflict with any applicable law or with any other agreement binding upon the Party. The Agreement has been duly executed and delivered by the Party. The Agreement constitutes the legal, valid and binding obligation of the Party enforceable against it in accordance with its terms except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity concerning such enforcement, regardless of whether such principles are applied in a proceeding at law or in equity.

7.10.2 PJM hereby disclaims any warranties, express or implied, in the provision of the Wabash Transition.

7.11 Severability and Renegotiation

7.11.1 Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision is determined by a court or regulatory authority of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect and shall in no way be affected, impaired or invalidated, and such invalid, void or unenforceable provision shall be replaced with valid and enforceable provision or provisions which otherwise give effect to the original intent of the invalid, void or unenforceable provision.

7.11.2 Renegotiation. If any provision of this Agreement is held by a court or regulatory authority of competent jurisdiction to be invalid, void or unenforceable, or if the Agreement is modified or conditioned by a regulatory authority exercising jurisdiction over this Agreement, the Parties shall endeavor in good faith to negotiate such

amendment or amendments as will restore the relative benefits and obligations of the Parties immediately prior to such holding, modification or condition. If after 60 days such negotiations are unsuccessful then this Agreement shall be deemed terminated except that the following shall survive such termination:

- Section 4.1.2.2 (payment of Capitalized Transition Costs)
- Section 4.1.3.2
- Section 4.1.4.2
- Section 4.3
- Section 5.1 (and subsections thereof)
- Section 5.3 (and subsections thereof)
- Section 5.4
- Section 5.5 (and subsections thereof)
- Article 6
- Article 7

7.12 Headings. The article and section headings used in this Agreement are for convenience only and shall not affect the construction or interpretation of any of the provisions.

7.13 Entire Agreement. This Agreement and Schedule 3.2.5 attached hereto shall constitute the entire agreement between the Parties with respect to the subject matter hereof. There are no prior contemporaneous agreements or representations affecting such subject matter other than those expressed in this Agreement.

7.14 Duty to Mitigate. Each Party shall take commercially reasonable measures to mitigate any costs and expenses incurred by it in performing its obligations under this Agreement.

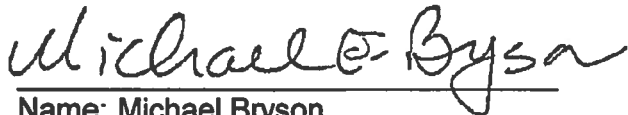
7.15 Standing. The Parties agree that the provisions of section 11.6 of the Operating Agreement are incorporated herein by reference and that Wabash has standing, in any court or other forum of competent jurisdiction, to enforce said provisions as a party to the Operating Agreement.

7.16 Confidentiality. The Parties agree that, except as necessary to carry out the obligations set forth herein, this Agreement, all discussions between, and all documents exchanged between the Parties shall be subject to the confidentiality provisions set forth in section 18.17 of the Operating Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

PJM Interconnection, L.L.C.

By:

A handwritten signature in cursive script, reading "Michael Bryson", written over a horizontal line.

Name: Michael Bryson

Title: Senior Vice President - Operations

Date:

Wabash Valley Power Association, Inc.

By:

A handwritten signature in cursive script, reading "Jason L. Marshall", written over a horizontal line.

Name: [Jason L. Marshall]

Title: [Exec. VP Transmission & Regulatory Affairs]

Date: 10/10/19

**Schedule 3.2.5
Project Transition Plan**

1	Initial Meeting with Project Team	July 30, 2019
2	Create/Confirm Initial Assumptions	September 27, 2019
3	Detailed Project Plan and Estimates	September 27, 2019
4	Project Team Meeting Schedule	Every 2-3 weeks as needed.
5	Signed Transition Agreement	September 25, 2019 – October 12, 2019
6	FERC Filing to Revise PJM Governing Tariffs to Effectuate Wabash's Status as a PJM Transmission Owner	October 15, 2019-October 31, 2019
7	Obtain FERC Approval	December 31, 2019
8	Inform ReliabilityFirst Corporation of Registrant Change	upon receipt of FERC Approval
9	EMS Data Enhancements Completed	February 3, 2020
10	Wabash Submits Blackstart Restoration Plan	February 3, 2020
11	Wabash Provides Training Re-Verification	[TBD]
12	Telemetry Data Points Exchange/Testing Completed	February 3, 2020
13	Compliance Visit to Wabash Completed	March 10, 2020
14	Go Live	March 10, 2020