



PJM Interconnection, L.L.C.
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July 3, 2014

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

Re: PJM Interconnection, L.L.C., Docket No. ER14-2358 -000 (OATT and OA) and
Docket No. ER14-2359 -000 (JOAs)

Dear Ms. Bose:

Pursuant to section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, and the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35, PJM Interconnection, L.L.C. ("PJM") hereby submits to the Commission revisions to multiple sections of the PJM Open Access Transmission Tariff ("Tariff" or "OATT"), the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement" or "OA"), the *Joint Operating Agreement between the Midwest Independent System Operator, Inc. and PJM Interconnection, L.L.C.* ("MISO-PJM JOA"), and the *Amended and Restated Joint Operating Agreement Among and between PJM Interconnection, L.L.C. and Progress Energy Carolinas* ("PJM-Progress JOA") (collectively, the "JOAs"). The purpose of the revisions is to reflect in PJM's governing documents PJM's recent change to its mailing address.

PJM also proposes a ministerial revision to Section 1.5 of Schedule 11 of the Operating Agreement. PJM requests that the Commission issue an order by no later than September 2, 2014, with an effective date of September 2, 2014, for the proposed revisions.

I. BACKGROUND AND DESCRIPTION OF ENCLOSED TARIFF REVISIONS

In December 2013, PJM officially changed its mailing address with the United States Post Office. The mailing address was changed from 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, PA 19403 to 2750 Monroe Blvd., Audubon, PA 19403. Accordingly, the mailing address requires correction in the applicable sections of the Tariff, Operating Agreement and JOAs. A chart listing the affected sections is provided as Attachment A.

II. PROPOSED REVISIONS

PJM's proposed revision, in all affected sections, changes the mailing address from 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, PA 19403 to 2750 Monroe Blvd., Audubon, PA 19403. PJM also proposes several ministerial revisions to some of these sections related to updating or deleting contact information for specified PJM officers and employees. The affected Tariff, Operating Agreement and JOA sections are listed in Attachment A.

III. MISCELLANEOUS REVISION

PJM is making a ministerial revision to Section 1.5 of Schedule 11 of the Operating Agreement. The revision changes the word "schedule" to "Section" and is necessary to avoid confusion as there is no Schedule 16 of the Operating Agreement.

IV. STAKEHOLDER REVIEW AND SUPPORT

On April 24, 2014, the PJM Markets and Reliability Committee endorsed by acclamation the revisions to the Tariff and Operating Agreement reflecting PJM's change of address with no

objections or abstentions. The PJM Members Committee approved the proposed revisions to the Operating Agreement, and endorsed the revisions to the Tariff, by acclamation with no objections or abstentions at its meeting held on May 15, 2014.

The PJM Members Committee approved the proposed ministerial revision to Section 1.5 of Schedule 11 of the Operating Agreement by acclamation with no objections or abstentions at its meeting held on June 26, 2014.

V. EFFECTIVE DATE

PJM requests an effective date of September 2, 2014 for the proposed changes to the sections of the Tariff, Operating Agreement and JOAs, in accordance with the 60-day notice requirement in section 35.3(a)(1) of the Commission's regulations. 18 C.F.R. § 35.3(a)(1).

VI. CORRESPONDENCE AND COMMUNICATIONS

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VII. DOCUMENTS ENCLOSED

PJM encloses with this transmittal letter:

- Attachment A – chart listing the affected sections of the Tariff, Operating Agreement and JOAs;

- Attachment B – marked version of the revised sections of the OATT and OA in electronic tariff filing format;
- Attachment C – clean version of the revised sections of the OATT and OA in electronic tariff filing format;
- Attachment D – marked version of the revised sections of the JOAs in electronic tariff filing format; and
- Attachment E – clean version of the revised sections of the JOAs in electronic tariff filing format.

VIII. SERVICE

PJM has served a copy of this filing on all PJM Members¹ and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,² PJM will post a copy of this filing to the FERC filings section of its internet site, 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 will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region³ alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a

¹ All capitalized terms that are not otherwise defined herein shall have the same meaning as they are defined in the Tariff or Operating Agreement

² See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

³ PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

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copy of this filing will be available on the FERC's eLibrary website located at the following link:
<http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations
and Order No. 714.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven Shparber", with a long, sweeping horizontal stroke at the end.

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Attachment A

Chart of Affected OATT, OA and JOA Sections



Chart for DR as Capacity Resource Filing
eTariff ID 1410 and 1411
Filing Date 07/03/2013 - Proposed Effective Date 09/02/2014

No.	Tariff Section Short Title	PJM OATT & OA RAA Section	Record ID	Change Type	Version	Priority Code	Revisions to the Section
1.	17.1 Application:	OATT, Part II, 17.1 Application	109	Change	1.0.0	500	Address Change
2.	OATT SCHEDULE 14 EX A	OATT, Exhibit A to Schedule 14, Form of Service Agreement for Transmission Service over the Neptune Line	534	Change	3.0.0	500	Address Change
3.	OATT SCHEDULE 16 EX A	OATT, Exhibit A to Schedule 16, Form of Service Agreement for Transmission Service over the Linden VFT Facility	535	Change	2.0.0	500	Address Change
4.	OATT SCHEDULE 16-A	OATT, Exhibit A to Schedule 16-A, Form of Service Agreement for Transmission Service for Imports over the Linden	1527	Change	3.0.0	500	Address Change
5.	OATT SCHEDULE 17 EX A	OATT, Exhibit A to Schedule 17, Form of Service Agreement for Transmission Service over the Hudson Line	1564	Change	1.0.0	500	Address Change
6.	OATT ATTACHMENT A	OATT, Attachment A, Form of Service Agreement for Firm Point-to-Point Transmission Service	536	Change	2.0.0	500	Address Change
7.	OATT ATTACHMENT B	OATT, Attachment B, Form of Service Agreement for Non-Firm Point-to-Point Transmission Service	538	Change	2.0.0	500	Address Change
8.	OATT ATTACHMENT F	OATT, Attachment F, Service Agreement for Network Integration Transmission Service	543	Change	2.0.0	500	Address Change
9.	OATT ATTACHMENT F-1	OATT, Attachment F-1, Form of Umbrella Service Agreement for Network Integration Transmission Service Under State Required Retail Access Programs	544	Change	3.0.0	500	Address Change
10.	OATT ATTACHMENT N	OATT, Attachment N, Form of Generation Interconnection Feasibility Study Agreement	953	Change	1.0.0	500	Address Change
11.	OATT ATTACHMENT N-1	OATT, Attachment N-1, Form of System Impact Study	954	Change	2.0.0	500	Address Change
12.	OATT ATTACHMENT N-2	OATT, Attachment N-2, Form of Facilities Study Agreement	955	Change	1.0.0	500	Address Change
13.	OATT ATTACHMENT N-3	OATT, Attachment N-3, Form of Optional Interconnection Study Agreement	956	Change	1.0.0	500	Address Change
14.	OATT ATTACHMENT O FORM	OATT, Attachment O, Form of Interconnection Service Agreement	963	Change	3.0.0	500	Address Change
15.	OATT ATTACHMENT O-1	OATT, Attachment O-1, Form of Interim Interconnection Service Agreement	962	Change	2.0.0	500	Address Change



Chart for DR as Capacity Resource Filing
eTariff ID 1410 and 1411
Filing Date 07/03/2013 - Proposed Effective Date 09/02/2014

No.	Tariff Section Short Title	PJM OATT & OA RAA Section	Record ID	Change Type	Version	Priority Code	Revisions to the Section
16.	OATT ATTACHMENT P	OATT, Attachment P, Form of Interconnection Construction Service Agreement	1200	Change	1.0.0	500	Address Change
17.	OATT ATTACHMENT S	OATT, Attachment S, Form of Transmission Interconnection Feasibility Study Agreement	959	Change	1.0.0	500	Address Change
18.	OATT ATTACHMENT V	OATT, Attachment V, Form of ITC Agreement	1121	Change	2.0.0	500	Address Change
19.	OATT ATTACHMENT FF	OATT, Attachment FF, Form of Initial Study Agreement	1134	Change	1.0.0	500	Address Change
20.	OATT ATTACHMENT GG FORM OF UPGRADE CONSTRUCTION SERVICE AGREEMENT	OATT, Attachment GG, Form of Upgrade Construction Service Agreement	1135	Change	3.0.0	500	Address Change
21.	OA 2.3 Place of Business.	OA 2.3 Place of Business.	648	Change	1.0.0	500	Address Change
22.	OA SCHEDULE 10 - FORM OF NON-DISCLOSURE AGREEMENT	SCHEDULE 10, OA SCHEDULE 10. FORM OF NON-DISCLOSURE AGREEMENT	898	Change	1.0.0	500	Address Change
23.	OA SCHEDULE 10 SECTION 5	OA Schedule 10, Section 5	911	Change	1.0.0	500	Address Change
24.	OA Schedule 11 Sec 1.5	OA Schedule 11, Section 1.5	1397	Change	1.0.0	500	Ministerial Revision
25.	ARTICLE I RECITALS	MISO-JOA ARTICLE I - RECITALS	141	Change	1.0.0	500	Address Change
26.	18.10 Notice.	MISO-JOA 18.10 Notice.	209	Change	1.0.0	500	Address Change
27.	JOA	PROGRESS-JOA JOINT OPERATING AGREEMENT AMONG AND BETWEEN PJM	2	Change	1.0.0	500	Address Change
28.	20.11 Notices	PROGRESS-JOA 20.11 Notices.	135	Change	1.0.0	500	Address Change

Attachment B

Revisions to the PJM Open Access Transmission Tariff and PJM Operating Agreement

(Marked / Redline Format)

Section(s) of the
PJM Open Access Transmission Tariff
(Marked / Redline Format)

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: PJM Interconnection, L.L.C., ~~955 Jefferson Avenue~~2750 Monroe Blvd., Valley Forge Corporate Center, Norristown~~Audubon~~, PA 19403-~~2497~~, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to the expedited procedures set forth in Section 17.8. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the Queue Position of the Completed Application.

EXHIBIT A TO SCHEDULE 14

Form of Service Agreement for Transmission Service over the Neptune Line

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”), as administrator of Transmission Service over the Neptune Line, and _____ (“Neptune Transmission Customer”).

2.0 The Neptune Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Neptune Reservation under the Tariff.

3.0 If required, the Neptune Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Neptune Transmission Customer agrees to take and pay for the Neptune Reservation in accordance with the provisions of Schedule 14 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA 19403-~~2497~~

Neptune Transmission Customer

7.0 The Tariff, including Schedule 14, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Neptune Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Neptune Transmission Customer) and that
_____ (Neptune Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Neptune Line

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: Raritan River (Sayreville) Substation in Sayreville, New Jersey

Delivering Party: _____

4.0 Point of Delivery: Newbridge Road Substation in Long Island, New York

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 14).

7.1 Neptune Reservation Charge: _____

7.2 Neptune Service Administration Charges: _____

EXHIBIT A TO SCHEDULE 16

Form of Service Agreement for Transmission Service over the Linden VFT Facility

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”), as administrator of Transmission Service on the Linden VFT Facility, and _____ (“Linden VFT Transmission Customer”).

2.0 The Linden VFT Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Linden VFT Reservation under the Tariff.

3.0 If required, the Linden VFT Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Linden VFT Transmission Customer agrees to take and pay for the Linden VFT Reservation in accordance with the provisions of Schedule 16 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
955 Jefferson Avenue <u>2750 Monroe Blvd.</u>
Valley Forge Corporate Center
Norristown <u>Audubon</u> , PA -19403-2497
<u>Linden VFT Transmission Customer</u>

7.0 The Tariff, including Schedule 16, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Linden VFT Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of _____ (Linden VFT Transmission Customer) and that _____ (Linden VFT Transmission Customer) will not request service under this Service agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Linden VFT Facility

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: VFT Switching Station in Linden, New Jersey

Delivering Party: _____

4.0 Point of Delivery: NYISO (at the Linden Cogen 345 kV ring bus in Linden, New Jersey)

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 16).

7.1 Linden VFT Reservation Charge:

7.2 Linden VFT Service Administration Charges:

7.3 Linden VFT Transmission Enhancement Charges:

SCHEDULE 16-A

Transmission Service for Imports on the Linden VFT Facility

Pursuant to Section 38 of the Tariff, this Schedule provides the terms and conditions of transmission service for imports on the Linden VFT Facility which is a Merchant Transmission Facility under the Tariff and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

1. Definitions

Capitalized terms used and defined in this Schedule 16-A shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 16-A but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 16-A that are not defined in it or elsewhere in this Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in PJM, including, but not limited to the Operating Agreement.

1.1 Linden VFT Reservation: For purposes of this Schedule 16-A, a right, denoted in whole megawatts and for a specified period, to request the injection of energy and capacity into the Transmission System at the Point of Interconnection and submit schedules for transmission service utilizing the Linden VFT Facility on a firm or non-firm basis as set forth in this Schedule 16-A.

1.1.1 Firm Linden VFT Reservation: A Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule capacity and energy on a firm basis from the Linden VFT Point of Receipt to the Linden VFT Point of Delivery.

1.1.2 Non-Firm Linden VFT Reservation: A Non-Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule energy on a non-firm, as available, basis from the Linden VFT Point of Receipt to the Linden VFT Point of Delivery.

1.2 Linden VFT Transmission Customer: An entity that (i) is an Eligible Customer (or its Designated Agent) that meets the creditworthiness requirements of the Transmission Provider set forth in Attachment Q to this Tariff and is in good-standing with respect to all payments owed under the Tariff and Operating Agreement; (ii) executes a Linden VFT Service Agreement, the form of which is attached as Exhibit A to this Schedule 16-A; (iii) holds a Linden VFT Reservation, and, in the case of a re-sale of a Linden VFT Reservation, (iv) has the applicable Attachment A-1 completed and signed by all parties.

1.3 Linden VFT Facility: The Linden VFT Facility is a controllable alternating current Merchant Transmission Facility located in Linden, New Jersey, which was the subject of Commission orders in FERC Docket No. ER07-543 et al. regarding operation of these transmission facilities as a merchant transmission facility and as more particularly described in the Interconnection Service Agreement among PJM Interconnection, L.L.C. and Linden VFT,

LLC and Public Service Electric and Gas Company, which was accepted for filing by the Commission in FERC Docket No. ER06-649.

1.4 Linden VFT Schedule: The schedule for the transmission of capacity and energy on the Linden VFT Facility pursuant to the terms and conditions of service set forth in this Schedule 16-A.

1.4A Linden VFT Service: Transmission service provided pursuant to the terms and conditions of service set forth in this Schedule 16-A.

1.5 Linden VFT Transmission Owner: Linden VFT, LLC, its agents, successors or assigns.

1.6 Primary Rights Holder(s): Entities that have been allocated rights to the use of the transmission capability of the Linden VFT Facility and assigned Firm and Non-Firm Transmission Injection Rights by the Linden VFT Transmission Owner in accordance with Section 2.1. To the extent any portion of the total transmission capability of the Linden VFT Facility has not been assigned pursuant to Section 2.1 the Linden VFT Transmission Owner shall be the Primary Rights Holder of such capacity for purposes of this Schedule 16-A until such capacity is allocated to another entity.

1.7 Point of Interconnection: The Point of Interconnection is as defined in Section 11.1 of the Interconnection Service Agreement among PJM Interconnection, L.L.C. and East Coast Power, L.L.C., which was assigned to Linden VFT, LLC effective December 21, 2006, and is the Linden VFT Point of Delivery.

1.8 Linden VFT Service Agreement: An initial agreement and any amendments or supplements thereto entered into by a Linden VFT Transmission Customer and the Transmission Provider for transmission service on the Linden VFT Facility under this Schedule 16-A, the form of which is included as Exhibit A to this Schedule 16-A.

1.9 Linden VFT Point of Delivery: For purposes of this Schedule 16-A, the point of delivery is the Point of Interconnection with the 230 kV transmission line connecting Public Service Electric and Gas Company's Warinanco substation with the Tosco substation near Linden, New Jersey.

1.10 Linden VFT Point of Receipt: For purposes of this Schedule 16-A, the point of receipt is the point of connection with transmission facilities at the 345 kV Linden Cogen ring bus, which is the point for the interchange of capacity and energy between PJM and NYISO.

2. Allocation of Available Transmission Capability on the Linden VFT Facility

2.1 Commission Approved Allocation Process: The Linden VFT Transmission Owner shall allocate the total transmission capability on the Linden VFT Facility pursuant to an allocation process approved by the Commission under FERC Docket No. ER07-543-000 as such allocation process may be amended by the Linden Transmission Owner from time-to-time

subject to Commission approval provided that the results of such rights allocation process shall be furnished to the Transmission Provider and posted on the OASIS. The allocation of rights to Primary Rights Holders for the transmission capability of the Linden VFT Facility shall include the allocation of the Firm and Non-Firm Transmission Injection Rights, as applicable, which have been assigned to the Linden VFT Transmission Owner pursuant to Section 232 of this Tariff as well as the award of Firm and Non-Firm Linden VFT Reservations. The allocation of such rights shall be in the megawatt quantity and for the period specified for allocation to parties pursuant to the Linden VFT Transmission Owner's Commission-approved allocation process and as submitted to the Transmission Provider for posting on the OASIS. In the event that there has been no allocation of Firm or Non-Firm Transmission Injection Rights to a Primary Rights Holder, the Linden VFT Transmission Owner is the holder of such unallocated Firm or Non-Firm Transmission Injection Rights.

2.2 Charges for Allocation of Rights by Linden VFT Transmission Owner to Primary Rights Holder: The charges applicable to the allocation of rights to a Primary Rights Holder pursuant to this section shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder in accordance with the process approved by the Commission under FERC Docket No. ER07-543-000, as amended by the Linden VFT Transmission Owner from time-to-time subject to Commission approval. The charge for the allocation of rights to a Primary Rights Holder shall be in accordance with the Commission's authorization for the Linden VFT Transmission Owner to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in Transmission Provider's Tariff rates) for the use of transmission capability over the Linden VFT Facility. Agreements between the Linden VFT Transmission Owner and a Primary Rights Holder for the allocation of rights to a Primary Rights Holder shall be considered Service Agreements under this Schedule 16-A and shall be reported by the Linden VFT Transmission Owner to the Commission through Electronic Quarterly Reports in accordance with Order No. 2001.

2.3 Transmission Injection Rights Associated with the Linden VFT Facility: The award of Transmission Injection Rights to the Linden VFT Transmission Owner shall be made pursuant to Section 232 of the Tariff and any subsequent transfer to Primary Rights Holders shall be made in accordance with Section 2.1 hereof. The Transmission Injection Rights solely allow for the injection of capacity and energy at the Point of Interconnection for the Linden VFT Facility and do not provide any priority with respect to the reservation, scheduling, curtailment or interruption of transmission service over the Linden VFT Facility pursuant to this Schedule.

2.4 Transfer of Transmission Injection Rights: Any resale, assignment, conveyance or transfer of a Transmission Injection Right shall be consistent with Section 232.6 of this Tariff and any terms and conditions agreed upon between the Linden VFT Transmission Owner and the Primary Rights Holder.

3. Linden VFT Reservations

3.1 Effect of a Linden VFT Reservation: A Linden VFT Reservation is a prerequisite to scheduling capacity and/or energy on the Linden VFT Facility. A holder of a

confirmed Linden VFT Reservation may submit offers to schedule capacity and/or energy into the Transmission System at the Point of Interconnection over the Linden VFT Facility.

3.2 Recallability: A Non-Firm Linden VFT Reservation released pursuant to Section 3.7 is recallable by a holder of a Firm Linden VFT Reservation that has retained the right of recall until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet installed capacity obligations in PJM. The procedures and prerequisites for the exercise of recall rights are set forth in Section 4.2.2.

3.3 Term of Service

3.3.1 Firm Linden VFT Reservation: The minimum term of a Firm Linden VFT Reservation shall be one day and the maximum term shall be equal to the term of agreement allocating rights to the Primary Rights Holder, the capability of the Linden VFT Facility pursuant to Section 2.1 of this Schedule. The terms and conditions applicable to Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Firm Linden VFT Reservations.

3.3.2 Non-Firm Linden VFT Reservation: The terms and conditions of Non-Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Non-Firm Linden VFT Reservations.

3.3.3 Limitations. A Linden VFT Transmission Customer holding a Firm Linden VFT Reservation or Non-Firm Linden VFT Reservation may not submit a request for scheduling of capacity and energy over the Linden VFT Facility that exceeds the period or megawatt amount of its Linden VFT Reservation.

3.4 Acquisition of Linden VFT Reservations: Linden VFT Reservations are initially allocated to Primary Rights Holders pursuant to Section 2.1. Third parties may purchase Firm Linden VFT Reservation or Non-Firm Linden VFT Reservations through (i) assignment pursuant to Section 3.5 of this schedule or (ii) voluntary or default release through Transmission Provider's resale procedures as stated in the Tariff and the Regional Scheduling Practices in accordance with Section 3.7 of this Schedule. The holder of a Linden VFT Reservation that sells or assigns its rights is hereafter referred to as the Reseller. The entity purchasing a Linden VFT Reservation through resale is hereafter referred to as the Buyer.

3.5 Assignment of Linden VFT Reservation: The Primary Rights Holder of a VFT Reservation may assign its VFT Reservation to third parties in accordance with the terms of the agreement between the Linden VFT Transmission Owner and the Primary Rights Holder provided that notice of such assignment is provided to the Transmission Provider with such information provided on the OASIS. Subject to Commission approval of any necessary filings, a holder of a VFT Reservation may assign all or a portion of its rights, but only to another Eligible Customer (the Buyer). The compensation to the Reseller shall be at rates established by agreement with the Buyer. Notice of such assignment shall be provided to the Transmission Provider as soon as possible after any assignment occurs but in any event, notification must be

provided prior to any submission of offers to schedule capacity and energy pursuant to such VFT Reservation by the Buyer.

3.6 Limitations on Resale of Linden VFT Reservations: If the Buyer requests a change in the specifications set forth in the original Linden VFT Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change is done before the start of service, does not exceed the rights granted in the Reseller's original Linden VFT Reservation and will not impair the operation and reliability of the Linden VFT Facility, the Transmission Provider's Transmission System or a Transmission Owner's generation, transmission, or distribution systems. The Reseller shall remain liable for the performance of all obligations under the Linden VFT Service Agreement, except as specifically agreed to by the Reseller, the Buyer, and the Transmission Provider through an amendment to the Linden VFT Service Agreement. A holder of a Linden VFT Reservation shall notify the Transmission Provider of the resale of any Linden VFT Reservation including the rate to be charged in accordance with the deadlines posted in NAESB WEQ 001-11.5.1 for On-OASIS re-sales, and NAESB WEQ 001-11.5.2 for Off-OASIS re-sales.

3.7 Release of Linden VFT Reservation: Linden VFT Reservations may be resold as Available Transmission Capacity (ATC) for acquisition as Linden VFT Service by third parties using the OASIS. Such a resale of transmission service is subject to the requirements in the PJM Manuals, NERC and NAESB Standards.

3.7.1 Voluntary Releases: A holder of a VFT Reservation may offer all or any portion of its VFT Reservation for voluntarily release on a first-come, first-served basis. A VFT Reservation that has been posted for voluntary release under this subsection shall be excluded from the default release procedures set forth in subsection 3.7.2.

3.7.2 Default Releases: In the event that any holder of a Linden VFT Reservation fails to either: (i) submit a request to schedule energy up to the full MW value of its Linden VFT Reservation by noon (12:00 p.m.) one business day prior to the Operating Day or (ii) offer its VFT Reservation for voluntarily release pursuant to subsection 3.7.1, then, the difference between the Total Transfer Capability over the VFT Line in each scheduling hour of the Operating Day and the sum of the valid requests for Linden VFT Schedules and MW amount of Linden VFT Reservations voluntarily released on OASIS for such scheduling hour, shall be deemed released by the Linden VFT Transmission Owner (as Reseller) and shall be posted on the OASIS by the Transmission Provider as Non-Firm ATC for acquisition by third parties on a first-come, first-served basis.

3.7.3 Release Rate: The holder of a Linden VFT Reservation seeking to voluntarily release all or any portion of its Linden VFT Reservation shall provide to the Transmission Provider the rate to be posted on OASIS and charged for such releases. The Linden VFT Transmission Owner may provide the Transmission Provider a rate to be posted on OASIS and charged for default releases pursuant to Section 3.7.2. In the event that the Linden VFT Transmission Owner does not separately provide to the Transmission Provider a rate for default releases, such default releases shall be charged

the lowest rate posted on OASIS for voluntary release of Linden VFT Reservations in the applicable hour.

3.7.4 Character of Service Released: Releases of Linden VFT Reservations made pursuant to the default release provisions in subsection 3.7.2 do not include the right of recall under Section 3.2 and shall be hourly Non-Firm Linden VFT Reservations.

3.7.5 Requirements for Acquisition of Linden VFT Reservations through Release or Assignment: An Eligible Customer shall be eligible to acquire and hold a Linden VFT Reservation through an assignment of a Linden VFT Reservation pursuant to Section 3.5 or release of a Linden VFT Reservation over OASIS pursuant to Section 3.7 if such entity meets all of the requirements for a Linden VFT Transmission Customer except for part (iii) of such requirements.

3.7.6 Resale Rate: The Reseller of a Linden VFT Reservation shall post the rate on OASIS and will be credited for completed re-sales of its service. The Reseller of a Linden VFT Transmission Reservation and the resale Buyer shall be credited/charged the rate as agreed and posted on the OASIS for the Linden VFT Reservations resold.

3.8 Billing and Payment for Linden VFT Reservations:

3.8.1 Linden VFT Reservations Allocated to Primary Rights Holders Pursuant to Section 2.1: The billing and payment of rates or charges applicable to the allocation of Firm or Non-Firm Linden VFT Reservations to the Primary Rights Holder pursuant to section 2.1 shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder and not under this Tariff.

3.8.2 Linden VFT Reservations Acquired Through Resale Pursuant to Section 3.7.1: An entity acquiring a Linden VFT Reservation through a Resale over the OASIS pursuant to subsection 3.7.1 shall be billed the applicable rate which is posted on OASIS pursuant to subsection 3.7.3. The Transmission Provider will credit/bill both parties according to the applicable rate and the transaction shall be settled through Transmission Provider's settlements.

3.8.3 Linden VFT Reservations Acquired Through Default Resale: The Transmission Provider shall bill an entity acquiring a Linden VFT Reservation through a default resale the applicable rate which is posted on OASIS pursuant to subsection 3.7.3. Any revenues received from the acquisition of Linden VFT Reservations subject to default release provisions shall be paid by the Transmission Provider to the VFT Transmission Owner. A Linden VFT Transmission Customer shall pay the applicable rates for the megawatt amount of the Linden VFT Reservation for each hour regardless of whether such holder(s) submitted a schedule for transmission service over the Linden VFT Facility in such hour.

4. Linden VFT Schedules

4.1 Nature of Transmission Service over the Linden VFT Facility: Linden VFT Schedules shall be requested in accordance with NERC and NAESB Standards, including requirements relating to E-Tagging and Transmission Line Relief procedures. An entity seeking to schedule use of the Linden VFT Facility must hold a Linden VFT Reservation for no less than the amount of megawatts of service being requested. Deadlines for scheduling the use of the Linden VFT Facility shall adhere to the Transmission Provider's deadlines for scheduling as provided by the Transmission Provider's manuals and consistent with the deadlines for scheduling Point to Point Transmission Services as described in Part II of the Tariff.

4.2 Submission of Scheduling Requests, Award of Reservations, Curtailment and Interruption of Linden VFT Schedule:

4.2.1 Submission of Scheduling Requests: A Linden VFT Transmission Customer holding a Linden VFT Reservation has the right to submit requests for Firm Linden VFT Schedules or Non-Firm Linden VFT Schedules commensurate to the Linden VFT Reservations held by that entity.

4.2.2 Exercise of Recall Rights: An Eligible Customer holding a Firm Linden VFT Reservation, that retains the right of recall, may exercise such recall rights by providing notice, until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet any installed capacity obligations in PJM, to the Transmission Provider that it wishes to exercise its right of recall. The exercise of a recall right pursuant to notice to the Transmission Provider shall immediately act to recall the Linden VFT Reservation previously released by the Eligible Customer and acquired by a third party under the assignment provisions set forth in Section 3.5 or the release procedures set forth in Section 3.7

4.3 Scheduling of Capacity and Energy over the Linden VFT Facility: The Transmission Provider shall evaluate all requests to schedule capacity and energy for injection into the Transmission System at the Point of Interconnection based on economic merit order. In the event of a tie within economic merit, a scheduling request made pursuant to a Firm Linden VFT Reservation shall have priority over a scheduling request made pursuant to a Non-Firm Linden VFT Reservation. In the case of an economic merit order tie between two or more scheduling requests using a Firm Linden VFT Reservation, the award of the scheduling reservation shall be on a pro rata basis. In the case of an economic merit order tie between two or more scheduling requests based on Non-Firm Linden VFT Reservations, the reservation classification of the Non-Firm Linden VFT Reservation (Monthly, Weekly, Daily or Hourly) shall then be used as the tiebreaker, with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a further tie within the sub-category of Non-Firm Linden VFT Reservations (Monthly, Weekly, Daily or Hourly), the timestamp order of the submission of requests to schedule service over the Linden VFT Facility shall be used as a tie-breaker. A holder of Linden VFT Reservations is limited in its total capacity and energy schedule for its Linden VFT Schedule to the higher of either its Firm or Non-Firm Linden VFT Reservations.

4.4 Limitations on Scheduling Amount: The Linden VFT Facility has a minimum total scheduling requirement of 1 MW at the Linden VFT Point of Receipt. The Linden VFT

Facility has a maximum continuous scheduling capability of the lower of the Total Transfer Capability (“TTC”) set by the Transmission Provider or 330 MW at the Linden VFT Point of Delivery. In the event that the total megawatt of schedules determined by the Transmission Provider is greater than the lower of the TTC or 330 MW at the Linden VFT Point of Delivery, all schedules above the maximum capability shall be rejected.

4.5 Curtailment of Linden VFT Schedules: In the event that a Curtailment or interruption of Linden VFT Schedules is required to maintain reliable operation of the Linden VFT Facility and the systems directly and indirectly interconnected with the Linden VFT Facility, any such Curtailment implemented by the Transmission Provider shall be based upon the priority of the associated Linden VFT Reservations. For Curtailment or interruptions of Linden VFT Schedules based on Firm Linden VFT Reservations will be performed on a pro rata basis. Curtailment of Linden VFT Schedules based on Non-Firm Linden VFT Reservations shall first be based on the Non-Firm Linden VFT Reservation classification (i.e., Monthly, Weekly, Daily, Hourly) with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a tie within the Non-Firm Linden VFT Reservation classifications, the time stamp order of the submission of valid bids/offers to schedule service over the Linden VFT Facility shall be used as a tiebreaker. The Transmission Provider shall provide advance notice of any Curtailment of Linden VFT Schedules to all affected Linden VFT Transmission Customers where such notice can be provided consistent with Good Utility Practice. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Facility as required by NERC Standards and the Joint Emergency Operating Protocol for the Linden VFT Scheduled Line which is posted on the PJM website. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Facility for reliability of the Transmission System pursuant to the separately reserved Transmission Service over the Transmission System pursuant to Part II or Part III of the Tariff to the Linden VFT Facility and the Transmission Provider’s Manuals.

4.6 Transmission Service Over the Transmission System. Prior to the commencement of a Linden VFT Schedule under this Schedule 16-A, a Linden VFT Transmission Customer shall arrange such Transmission Service over the Transmission System pursuant to Part II or Part III of the Tariff as may be necessary pursuant to the Tariff for delivery of energy, capacity or ancillary services over the Transmission System from the Point of Delivery of the Linden VFT Facility for at least the same time period as the Linden VFT Schedule provided under this Schedule 16-A. Reserving such Transmission Service from the Linden VFT Facility is a required precondition to acquiring a Linden VFT Schedule. The Linden VFT Transmission Customer is responsible for all charges associated with Transmission Service for delivery of capacity and energy from the Point of Delivery of the Linden VFT Facility.

5. Liability

The Transmission Provider and any holder of a Linden VFT Reservation which releases or resells its Linden VFT Reservation through resale procedures set forth in Section 3.5 and 3.7 of this Schedule 16-A shall be held harmless with regard to any claim which may be raised by any party regarding the award of the released Linden VFT Reservation, except to the extent that such party successfully establishes that the releasing party has incorrectly selected the party

acquiring such released Linden VFT Reservation as the result of gross negligence or willful misconduct. The liability of the Transmission Provider shall be limited by the terms and conditions of Section 10 of the Tariff and the provisions of the Operating Agreement.

6. Losses and Inadvertent Energy

Real power losses and inadvertent energy across the Linden VFT Facility shall be allocated solely to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on an hourly pro rata basis, except for hours with no Linden VFT Schedules, in which case any real power losses and inadvertent energy across the Linden VFT Facility shall be allocated to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on a monthly pro rata basis.

7. Congestion Costs and FTRs

A Linden VFT Schedule provides a physical right to deliver energy over the Linden VFT Facility. Accordingly, no congestion costs shall be calculated over the Linden VFT Facility and no FTRs or their equivalent shall be offered for a Linden VFT Schedule. This provision is not meant to preclude any allocation of financial transmission rights, auction revenue rights or their equivalent awarded to the Linden VFT Transmission Owner pursuant to Part VI of the Tariff. Such rights would be allocated to Primary Rights Holders in accordance with Section 2.1.

8. Measurement and Posting of ATC and TTC

The ATC and TTC of the Linden VFT Facility shall be calculated and posted on the OASIS by the Transmission Provider consistent with the requirements of the Tariff.

9. Payment of Other Charges Required for a Linden VFT Schedule

The Linden VFT Transmission Customer is responsible for charges applicable to a Linden VFT Schedule provided under this Schedule 16-A, including, but not limited to, any congestion and loss charges, redispatch costs, transitional revenue neutrality charges, scheduling, administrative, hardware or software upgrade charges, control area or administrative services charges or ancillary service charges applicable to the Transmission Provider's administration of transmission service over the Linden VFT Facility (collectively, the "Linden VFT Service Administration Charges"). In the event that any such Linden VFT Service Administration Charges are billed by the Transmission Provider to the Linden VFT Transmission Owner, the Linden VFT Transmission Owner may bill the Linden VFT Transmission Customer for such charge, and the Linden VFT Transmission Customer shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such Linden VFT Service Administration Charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility.

In the event that any other charges related to the construction, maintenance, operation or upgrading of the Transmission System are assessed by the Transmission Provider to the Linden

VFT Transmission Owner for the use of the Linden VFT Facility for injection of energy or capacity into the Transmission System, the Linden VFT Transmission Owner may bill the Primary Rights Holder, and the Primary Rights Holder shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility. The issuance and time for payment of charges under this Schedule 16-A shall be consistent with the billing and payment provisions of Section 7 of the Tariff.

Any failure of a Linden VFT Transmission Customer or a Primary Rights Holder to pay any of the charges referenced in this Section 9 shall be deemed a failure to pay by the Linden VFT Transmission Owner.

EXHIBIT A TO SCHEDULE 16-A

Form of Service Agreement for Transmission Service for Imports over the Linden VFT Facility

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”) and _____ (“Linden VFT Transmission Customer”).

2.0 The Linden VFT Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Linden VFT Reservation under the Tariff.

3.0 If required, the Linden VFT Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Linden VFT Transmission Customer agrees to take and pay for the Linden VFT Reservation in accordance with the provisions of Schedule 16-A of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider PJM Interconnection, L.L.C. 955 Jefferson Avenue 2750 Monroe Blvd. Valley Forge Corporate Center Norristown Audubon, PA -19403-2497
Linden VFT Transmission Customer _____ _____ _____

7.0 The Tariff, including Schedule 16-A, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Linden VFT Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Linden VFT Transmission Customer) and that
_____ (Linden VFT Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service for Imports Over Linden VFT Facility

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: NYISO (at the Linden Cogen 345 kV ring bus in Linden, New Jersey)

Delivering Party: _____

4.0 Point of Delivery: VFT Switching Station in Linden, New Jersey

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 16-A).

7.1 Linden VFT Reservation Charge:

7.2 Linden VFT Service Administration Charges:

7.3 Linden VFT Transmission Enhancement Charges:

EXHIBIT A TO SCHEDULE 17

Form of Service Agreement for Transmission Service over the Hudson Line

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”), as administrator of Transmission Service over the Hudson Line, and _____ (“Hudson Transmission Customer”).

2.0 The Hudson Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Hudson Reservation under the Tariff.

3.0 If required, the Hudson Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Hudson Transmission Customer agrees to take and pay for the Hudson Reservation in accordance with the provisions of Schedule 17 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA -19403-~~2497~~

Hudson Transmission Customer

7.0 The Tariff, including Schedule 17, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Hudson Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Hudson Transmission Customer) and that
_____ (Hudson Transmission Customer) will not request service
under this Service agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Hudson Line

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: PSE&G's Bergen Substation in Ridgefield, New Jersey

Delivering Party: _____

4.0 Point of Delivery: ConEd's West 49th Street Substation in New York, New York

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 17).

7.1 Hudson Reservation Charge: _____

7.2 Hudson Service Administration Charges: _____

7.3 Hudson Transmission Enhancement Charges: _____

ATTACHMENT A

Form of Service Agreement For Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection L.L.C. (the Transmission Provider) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____ (“Transmission Customer”).

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Firm Point-To-Point Transmission Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities, Local Upgrades and/or Network Upgrades and any contingencies identified in the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer and _____[name of transmission owner constructing upgrades]_____ are completed, if applicable, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties or as otherwise specified in this Service Agreement.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~Audubon, PA 19403-~~2497~~

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Short-Term Firm Point-To-Point Transmission Service requested under this Agreement, the confirmation procedures set forth in this section 8.0 shall apply. Whenever PJM notifies the Transmission Customer that a request for Short-Term Firm Point-To-Point Transmission Service can be accommodated, the Transmission Customer shall confirm, by the earlier of (i) 15 days after PJM approves the request for service, or (ii) 12:00 noon on the day before the Service Commencement Date, that it will commence the requested service. Failure of the Transmission Customer to provide such confirmation will be deemed a withdrawal and termination of the request for the service, and any deposit submitted with the request will be refunded with interest.

{Use the following Section 9.0 for Long-Term Firm Point-To-Point Transmission Service Requests that require construction of Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades}

9.0 The Transmission Customer was notified by the Transmission Provider that the System Impact Study indicates that Firm Point-To-Point Transmission Service can not extend beyond one year from the commencement of service unless certain Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades are constructed pursuant to the Tariff and in accordance with the terms and conditions of the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer, and _____[name of Transmission Owner constructing upgrades]_____. The required Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are identified, including estimated costs and lead times to support the requested Firm Point-To-Point Transmission Service in that Upgrade Construction Service Agreement. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Firm-Point-To-Point Transmission Service, unless and until the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are completed pursuant to the terms of the Upgrade Construction Service Agreement.

10.0 Rates for Long-Term Firm Point-To-Point Transmission Service shall apply pursuant to this Service Agreement and applicable provisions of the PJM Tariff. Transmission Customer will not be eligible for any credits against these rates for the value of the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities it provides; its consideration for payment for Customer-Funded Upgrades will be the Long-Term Firm Point-To-Point Transmission Service described in the Transmission Service Agreement, and the associated Upgrade-Related Rights, as described in the Upgrade Construction Service Agreement.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service under
this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this
Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires:_____

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Transmission Capability): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Other Supporting Facilities Charge: _____

ATTACHMENT B
Form of Service Agreement For Non-Firm Point-To-Point
Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~Audubon, PA 19403-~~2497~~

Transmission Customer:

- 7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service
under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires:_____

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.
- 3.0 Service under this agreement shall commence on the later of: (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 4.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Transmission Service in accordance with the provisions of the Tariff, including the Network Operating Agreement (which is incorporated herein by reference), and this Service Agreement as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA 19403-2497

Transmission Customer:

- 6.0 The Tariff for Network Integration Transmission Service is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service
under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires:_____

**SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and/or energy to be transmitted within the PJM Region (including electric control area in which the transaction originates).

3.0 Network Resources: _____

4.0 Network Load: _____

5.0 Designation of party subject to reciprocal service obligation:

6.0 Name(s) of any Intervening Systems providing transmission service:

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the tariff.)

7.1 Embedded Cost Transmission Charge: _____

7.2 Facilities Study Charge: _____

7.3 Direct Assignment Facilities Charge: _____

7.4 Ancillary Services Charge: _____

7.5 Other Supporting Facilities Charge: _____

ATTACHMENT F-1

Form of Umbrella Service Agreement for Network Integration Transmission Service Under State Required Retail Access Programs

- 1.0 This Service Agreement dated as of _____, including the Specifications For Network Integration Transmission Service Under State Required Retail Access Programs attached hereto and incorporated herein, is entered into, by and between PJM Interconnection, L.L.C. ("Transmission Provider") as administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____, a transmission customer participating in a state required retail access program and/or a program providing for the contractual provision of default service or provider of last resort service ("Network Customer").
- 2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Integration Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in a state required retail access program.
- 3.0 Service under this Service Agreement shall commence on _____, and shall terminate on such date as mutually agreed upon by the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 4.0 The Transmission Provider agrees to provide, and the Network Customer agrees to take, Network Integration Transmission Service in accordance with the Tariff, including the Operating Agreement of the PJM Interconnection, L.L.C. ("Operating Agreement") (which is the Network Operating Agreement under the Tariff and is incorporated herein by reference) and this Service Agreement, as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA 19403-~~2497~~

Network Customer

IN WITNESS WHEREOF, the Transmission Provider and the Network Customer have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider

By: _____ _____ _____
Name Title Date

Counterparty:

By: _____ _____ _____
Name Title Date

Network Customer

By: _____ _____ _____
Name Title Date

SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE
PURSUANT TO STATE REQUIRED RETAIL ACCESS PROGRAMS

- 1.0 Term of Service: The term of service under this Service Agreement shall be from _____ until terminated by mutual agreement of the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 2.0 Network Operating Agreement: In accordance with Section 29.1 of the Tariff, the Network Customer must be a member of PJM Interconnection, L.L.C. and a signatory to the Operating Agreement.
- 3.0 Network Load and Network Resources: The Network Customer shall be responsible for the Transmission Provider receiving the information pertaining to Network Load, Network Resources, and Behind The Meter Generation described in this section. Such information shall be provided in accordance with procedures established by the Transmission Provider. With respect to service requests under this umbrella Service Agreement, the Transmission Provider will deem the provision of the information specified in this section as complying with the application requirements set forth in Section 29.2 of the Tariff.
- 3.1 Network Load: For Network Load within the PJM Region, the Network Customer shall arrange for each electric distribution company (“EDC”) delivering to the Network Customer’s load to provide directly to the Transmission Provider, on a daily basis, the Network Customer’s peak load (net of operating Behind The Meter Generation, but not to be less than zero, unless such generation is separately metered and reported to PJM), by bus, coincident with the annual peak load of the Zone as determined under Section 34.1 of the Tariff. The peak load shall be expressed in terms of tenths of a megawatt and shall include all losses within the PJM Region, including other transmission losses, and distribution losses. Unless a more specific bus distribution is available, the EDC may provide a bus distribution for the Network Customer’s peak load proportional to the bus distribution for all of the load in the Zone. The information must be submitted directly to the Transmission Provider by the EDC, unless the Transmission Provider approves in advance another arrangement. For Non-Zone Network Load, the Network Customer shall provide to the Transmission Provider, on a daily basis, the Network Customer’s peak load, by interconnection at the border of the PJM Region, coincident with the annual peak load of such area as determined under Section 34.1 of the Tariff. The peak load for such Non-Zone Network Load shall be expressed in terms of tenths of a megawatt and shall not include losses within the PJM Region. Unless a more specific bus distribution is identified and node definition requested, a service request shall be granted upon submission of the information set forth in this Section 3.1 without any further confirmation procedures. If a Network Customer under this Service Agreement, prior to the commencement of service or at any time after the commencement of

service, identifies a more specific bus distribution and requests a node definition for all or part of its Network Load that is served under state required retail access programs, the Network Customer shall notify both the Transmission Provider and the electric distribution company pursuant to the notification procedure and schedule set forth in the PJM manuals. The Transmission Provider, exercising its independent judgment and expertise, shall have the authority to resolve any difference of opinion that may arise between the Network Customer and the electric distribution company as to the applicable bus distribution or node definition. If confirmed, the more specific bus distribution will not be used for billing and settlement purposes, however, until the notification procedure set forth in the PJM manuals is completed, and in no event until June 1, to correspond with the commencement of the annual planning period.

- 3.2 Network Resources: The Network Customer, as necessary, shall designate from time to time its Network Resources. In the event the Network Resource to be designated is Behind The Meter Generation, the designation must be made before the commencement of a Planning Period as that term is defined in the Operating Agreement and will remain in effect for the entire Planning Period. Such Network Resources must be acceptable to the Transmission Provider as Network Resources in accordance with the Tariff and the Operating Agreement. Designations of resources that have not previously been accepted as Network Resources of any Network Customer or Transmission Customer shall include the information set forth in Section 29.2(v) of the Tariff. Changes in the designation of Network Resources will be treated as an application for modification of service. The Network Customer shall confirm the acceptance of a Network Resource within 15 days of the completion of a System Impact Study or 30 days after completion of a Facilities Study, as is applicable. The Transmission Provider will maintain a current list of Network Resources, which shall be updated from time to time.
- 3.3 Hourly Load: The Network Customer and/or the EDCs delivering to the Network Customer's load shall provide to the Transmission Provider, on a daily basis, hourly loads and an associated bus distribution for the Network Load. For Network Load within the PJM Region, hourly loads required under this Section shall include all losses within such area, including transmission losses, and distribution losses. The Network Customer shall notify the Transmission Provider whether the Network Customer or the EDC will submit the hourly loads. The submitted load values will include losses and shall be reduced using the applicable loss factor determined by the Transmission Provider whenever a billing determination is calculated under the Tariff without losses.
- 3.4 Energy Schedules: The Network Customer shall schedule energy for its hourly loads in accordance with the Appendix to Attachment K of the Tariff.
- 3.5 Interruptible Loads: The Network Customer shall inform or shall arrange for each EDC delivering to Network Customer's load to inform Transmission Provider about the amount and location of any interruptible loads included in the Network

Load. This information shall include the summer and winter peak load for each interruptible load (had such load not been interruptible), that portion of each interruptible load subject to interruption, the conditions under which an interruption can be implemented, and any limitations on the duration and frequency of interruptions.

- 3.6 Procedures for Load Determination: The procedures by which an EDC will determine the peak and hourly loads reported to the Transmission Provider under Sections 3.1 and 3.3 may be set forth in a separate schedule to the Tariff for each EDC.
- 3.7 Behind The Meter Generation: For Behind The Meter Generation of a Network Customer that requires metering pursuant to section 14.5 of the Operating Agreement, the Network Customer shall arrange for the Transmission Owner or EDC to provide directly to Transmission Provider information pertaining to such Behind The Meter Generation and the total load at its location as necessary for PJM's planning purposes.
- 4.0 Energy Imbalance Service: The Network Customer will receive Energy Imbalance Service from the Transmission Provider in accordance with Schedule 4 of the Tariff. Energy Imbalance Service is considered to be PJM Interchange and will be charged at the hourly locational marginal price determined pursuant to Section 2 of the Appendix to Attachment K of the Tariff.
- 5.0 Reconciliation Billing: For Network Load within the PJM Region, to the extent required, the Transmission Provider will reconcile the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage, and provide corresponding charges and credits to Network Customer. Such reconciliation, if required, shall be made at the same rates as Energy Imbalance Service.
- 6.0 Designation of party subject to reciprocal service obligation: The Network Customer shall comply with Section 6 of the Tariff.
- 7.0 Name(s) of any Intervening Systems providing transmission service: To the extent any Network Resources are located outside the PJM Region, the list of Network Resources maintained by the Transmission Provider referenced in Section 3.2 of these specifications, shall identify any intervening systems needed to deliver those Network Resources to the Network Customer's retail load.
- 8.0 Charges: Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
 - 8.1 Embedded Cost Transmission Charge: The embedded cost transmission charge shall be determined in accordance with the formula set forth in Section 34 of the Tariff.

- 8.2 System Impact and Facilities Study Charges: To the extent Network Resources are located outside, or a new resource is added to, the PJM Region, a System Impact Study and/or Facilities Study Agreement and related charges may be required pursuant to Section 32 of the Tariff.
- 8.3 Direct Assignment Facilities Charge: To the extent that facilities or portions of facilities must be constructed by a Transmission Owner for the sole use or benefit of the Network Customer to accommodate the service requested by the Network Customer, the Network Customer shall be responsible for the cost of such Direct Assignment Facilities, and the charges for such facilities shall be specified at the time that the Transmission Provider determines the facilities that are needed to provide the requested service.
- 8.4 Ancillary Services Charge: In addition to Energy Imbalance Service, Transmission Provider shall bill the Network Customer for ancillary services in accordance with Schedules 1, 1-A, 2, 3, 5, 6, and 9 of the Tariff. To the extent required, the ancillary services charges shall also be reconciled based on any differences between the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage.
- 8.5 Other Supporting Facilities Charge: None.
- 8.6 **[Reserved]**
- 8.7 Other Charges: Transmission Provider shall charge Network Customer any and all other charges set forth in the Tariff applicable to providing Network Integration Service.
- 9.0 Designated Agent: To the extent that a Designated Agent for one or more Network Customers provides to the Transmission Provider any of the information required by these Specifications, it shall provide the information separately for each Network Customer.

CERTIFICATION

I, _____, certify that I am a duly authorized officer of

_____ (Network Customer) and that

_____ (Network Customer) will not request service under this
Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-
Access Transmission Tariff.

(Name)

(Name)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires:_____

ATTACHMENT N
Form of
Generation Interconnection Feasibility Study Agreement

RECITALS

1. This Generation Interconnection Feasibility Study Agreement, dated as of _____, is entered into, by and between _____ ("Interconnection Customer") and PJM Interconnection, L.L.C. ("Transmission Provider") pursuant to Part IV and Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff"). Capitalized terms used in this agreement, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Tariff.
2. Pursuant to Section 36.1.01, 110.1, or 111.1, of the PJM Tariff, the Interconnection Customer has submitted an Interconnection Request and has paid the applicable initial deposit to the Transmission Provider and the applicable non-refundable base deposit for a proposed interconnection of a generation facility over 20 MW; or the applicable initial deposit and the applicable non-refundable base deposit for a proposed interconnection of a generation facility 20 MW or less but greater than 2 MW, as applicable, to the Transmission Provider.
3. Interconnection Customer requests interconnection to the Transmission System of a generating project with the following specifications.
 - a. Location of generating unit site:

 - b. Identification of evidence of ownership interest in, or right to acquire or control, the generating site:

 - c. Size in megawatts of generating unit or increase in capacity of existing generating unit:
 - A. Maximum Facility Output (as defined in section 1.18A.03 of the PJM Tariff) of the generating unit:

- B. If Interconnection Request is for an increase in capacity of existing generating unit, specify size in megawatts of the increase in capacity of existing generating unit:

- C. Specify any portion of the facility's capacity that you wish to be a Capacity Resource or Energy Resource.

_____ MW Capacity Resource

_____ MW Energy Resource

PLEASE NOTE: THE CAPACITY INDICATED IN YOUR RESPONSE TO PART C OF THIS ITEM MAY BE REDUCED, BUT MAY NOT BE INCREASED, WITH RESPECT TO THIS INTERCONNECTION REQUEST FOR THIS PROJECT.

- D. Identify the fuel type of the generating unit.

- d. Description of the equipment configuration:

- e. Planned date the generating unit or increase in capacity will be in service:

- f. Is the generating unit to be evaluated as a Capacity Resource?:

Yes _____ or No _____

If yes, check here to be evaluated also as an Energy Resource: _____

- g. Is the generating unit Behind The Meter Generation?

Yes _____ or No _____

If Yes:

- A. Specify any portion of the facility's capacity that you wish to be a Capacity Resource or Energy Resource.

PLEASE NOTE: THE CAPACITY INDICATED IN YOUR RESPONSE TO PART A OF THIS ITEM MAY BE REDUCED, BUT MAY NOT BE INCREASED, WITH RESPECT TO THIS INTERCONNECTION REQUEST FOR THIS PROJECT.

- B. Identify the type and size of the load located (or to be located) at the site of such generation.

- C. Describe the electrical connections between the generation facility and the load.

- h. Other information:

PURPOSE OF THE FEASIBILITY STUDY

4. Consistent with Section 36.2 of the PJM Tariff, the Transmission Provider shall conduct a Generation Interconnection Feasibility Study to provide the Interconnection Customer with preliminary determinations of: (i) the type and scope of the Attachment Facilities, Local Upgrades, and Network Upgrades that will be necessary to accommodate the Interconnection Customer's Interconnection Request; (ii) the time that will be required to construct such facilities and upgrades; and (iii) the Interconnection Customer's cost responsibility for the necessary facilities and upgrades. In the event that the Transmission Provider is unable to complete the Generation Interconnection Feasibility Study within the timeframe prescribed in Section 36.2 of the PJM Tariff, the Transmission Provider shall notify the Interconnection Customer and explain the reasons for the delay.
5. The Generation Interconnection Feasibility Study conducted hereunder will provide only preliminary non-final estimates of the cost and length of time required to accommodate

the Interconnection Customer's Interconnection Request. More comprehensive estimates will be developed only upon execution of a System Impact Study Agreement and a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The Generation Interconnection Feasibility Study necessarily will employ various assumptions regarding the Interconnection Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. The Generation Interconnection Feasibility Study shall not obligate the Transmission Provider or the Transmission Owners to interconnect with the Interconnection Customer or construct any facilities or upgrades.

CONFIDENTIALITY

6. The Interconnection Customer agrees to provide all information requested by the Transmission Provider necessary to complete the Generation Interconnection Feasibility Study. Subject to paragraph 7 of this Generation Interconnection Feasibility Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 6 shall be and remain confidential.
7. Until completion of the Generation Interconnection Feasibility Study, the Transmission Provider shall keep confidential all information provided to it by the Interconnection Customer. Upon completion of the Generation Interconnection Feasibility Study, the study will be listed on the Transmission Provider's OASIS and, to the extent required by Commission regulations, will be made publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential and will not be posted on the Transmission Provider's OASIS.
8. Interconnection Customer acknowledges that, consistent with the PJM Tariff, the Transmission Provider may contract with consultants, including the Transmission Owners, to provide services or expertise in the Generation Interconnection Feasibility Study process and that the Transmission Provider may disseminate information to the Transmission Owners.

COST RESPONSIBILITY

9. The Interconnection Customer shall reimburse the Transmission Provider for the actual cost of the Generation Interconnection Feasibility Study. The deposit paid by the Interconnection Customer described in Section 2 of this Agreement shall be applied toward the Interconnection Customer's Generation Interconnection Feasibility Study cost responsibility. In the event that the Transmission Provider anticipates that the actual study costs will exceed the deposit described in Section 2 of this agreement, the Transmission Provider shall provide the Interconnection Customer with an estimate of the study costs. Within 10 days of receiving such estimate, the Interconnection Customer may withdraw its Interconnection Request. Unless the Interconnection Request is withdrawn, the Interconnection Customer agrees to pay the actual additional costs of the Generation Interconnection Feasibility Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

10. In analyzing and preparing the Generation Interconnection Feasibility Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FEASIBILITY STUDY. The Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Generation Interconnection Feasibility Study Agreement nor the Generation Interconnection Feasibility Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the Interconnection Customer either at this point in time or in the future.
11. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Generation Interconnection Feasibility Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this Generation Interconnection Feasibility Study Agreement.

Without limitation of the foregoing, the Interconnection Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any Generation Interconnection Feasibility Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

12. Any notice or request made to or by either party regarding this Generation Interconnection Feasibility Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA 19403-2497

Interconnection Customer

13. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Generation Interconnection Feasibility Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
14. This Generation Interconnection Feasibility Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
15. This Generation Interconnection Feasibility Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
16. Neither this Generation Interconnection Feasibility Study Agreement nor the Generation Interconnection Feasibility Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
17. The provisions of Part IV of the PJM Tariff are incorporated herein and made a part hereof.
18. **Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Generation Interconnection Feasibility Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Generation Interconnection Feasibility Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
19. **No Third-Party Beneficiaries**
This Generation Interconnection Feasibility Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.

20. Multiple Counterparts

This Generation Interconnection Feasibility Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

21. No Partnership

This Generation Interconnection Feasibility Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

22. Severability

If any provision or portion of this Generation Interconnection Feasibility Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Generation Interconnection Feasibility Study Agreement shall remain in full force and effect.

23. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Generation Interconnection Feasibility Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Generation Interconnection Feasibility Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Generation Interconnection Feasibility Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the Interconnection Customer have caused this Generation Interconnection Feasibility Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Interconnection Customer: **[Name of Party]**

By: _____
Name Title Date

Printed Name

**ATTACHMENT N-1
FORM OF
SYSTEM IMPACT STUDY AGREEMENT**

(PJM Queue Position #____)

RECITALS

1. This System Impact Study Agreement, dated as of _____, is entered into, by and between _____ ("New Service Customer") and PJM Interconnection, L.L.C. ("Transmission Provider") pursuant to Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff").
2. The Transmission Provider has: (i) pursuant to Section 36.2 of the PJM Tariff, completed an Interconnection Feasibility Study and provided the results of that study to the New Service Customer; (ii) received a valid Upgrade Request; or (iii) pursuant to Section 19 or Section 32, as applicable, of the PJM Tariff, the Transmission Provider has completed an Initial Study and provided the results of that study to the New Service Customer.
3. Pursuant to Sections 19.1, 32.1, 37, 110.2, 111.2, 204.2, or 204.3, as applicable, of the PJM Tariff, the New Service Customer (i) requests that the Transmission Provider perform a System Impact Study, and (ii) agrees to submit a deposit to the Transmission Provider which will be applied to the New Service Customer's cost responsibility for the System Impact Study, as set forth in Section 204.3A of the PJM Tariff.

PREVIOUS SUBMISSIONS

{For Interconnection Customers, use the following paragraph 4}

4. Except as otherwise specifically set forth in an attachment to this agreement, New Service Customer represents and warrants that the information provided in Section 3 of the Interconnection Feasibility Study Agreement dated _____, for the project designated _____ {insert Queue Position} by and between the New Service Customer and the Transmission Provider is accurate and complete as of the date of execution of this System Impact Study Agreement. New Service Customer further provides the following information and represents and warrants that said information is true and correct:

{For Generation Facilities, use the following paragraphs a through c}

- a. Specify whether the generation to be interconnected to the Transmission System is to be a Capacity Resource or an Energy Resource.

- b. Identification of evidence of initial application for the necessary air permits (attach documentation separately):

- c. Other information not previously provided that may be relevant to the study being conducted hereunder (attach generator data for stability study analysis):

{For Merchant Transmission Facilities, use the following paragraphs a through c}

- a. Provide evidence of ownership in, or right to acquire or control the site(s) where New Service Customer intends to install its major equipment, in the form of a deed, option agreement, lease or other similar document acceptable to PJM:

- b. Provide evidence of the rights or option to obtain such rights to use any existing transmission facilities within PJM that are necessary for construction of the proposed project.

- c. Other information not previously provided that may be relevant to the study being conducted hereunder:

{For New Service Customer other than Interconnection Customers, use the following paragraph 4}

4. Except as otherwise specifically set forth in an attachment to this agreement, New Service Customer represents and warrants that the information provided in Section ____ {insert applicable section number} of the New Service Request dated _____, for the request designated _____ {insert Queue Position} is accurate and complete as of the date of execution of this System Impact Study Agreement. New Service Customer further

provides the following information and represents and warrants that said information is true and correct:

PURPOSE OF THE SYSTEM IMPACT STUDY

5. Consistent with Section 205 of the PJM Tariff, the Transmission Provider, in consultation with the affected Transmission Owner(s), shall conduct a System Impact Study that identifies the system constraints relating to the New Service Requests being evaluated in the study and the Attachment Facilities, Local Upgrades, and Network Upgrades necessary to accommodate such New Service Requests. It is expected that the System Impact Study will be completed by {insert date}. In the event that the Transmission Provider is unable to complete the System Impact Study by that date, the Transmission Provider shall notify the New Service Customer and explain the reasons for the delay.
6. The System Impact Study conducted hereunder will provide more comprehensive estimates of the cost and length of time required to accommodate the New Service Customer's New Service Request than those developed through the Feasibility Study or Initial Study, if applicable, performed for the New Service Customer. These estimates shall represent a good faith attempt to determine the cost of necessary facilities and upgrades to accommodate the New Service Customer's New Service Request, and the New Service Customer's cost responsibility for them, but shall not be deemed final or binding. The scope of the System Impact Study {include for Merchant Transmission Facilities: may depend in part on the interconnection rights elected by the New Service Customer under Section 36.1.03 of the PJM Tariff and} may include (a) an assessment of sub-area import deliverability, (b) an assessment of sub-area export deliverability, (c) an assessment of project related system stability issues, (d) an assessment of project related short circuit duty issues, (e) a contingency analysis consistent with NERC's and each Applicable Regional Entity's reliability criteria, (f) an assessment of regional transmission upgrades that most effectively meet identified needs, and (g) an analysis to determine cost allocation responsibility for required facilities and upgrades. Final estimates will be developed only upon execution of a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The System Impact Study necessarily will employ various assumptions regarding the New Service Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. **IN NO EVENT SHALL THE SYSTEM IMPACT STUDY IN ANY WAY BE DEEMED TO OBLIGATE THE TRANSMISSION PROVIDER OR THE TRANSMISSION OWNERS THAT MAY INTERCONNECT WITH THE NEW SERVICE CUSTOMER TO CONSTRUCT ANY FACILITIES OR UPGRADES.**

CONFIDENTIALITY

7. The New Service Customer agrees to provide all information requested by the Transmission Provider necessary to complete the System Impact Study. Subject to paragraph 8 of this System Impact Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 7 shall be and remain confidential.

8. Until completion of the System Impact Study, the Transmission Provider shall keep confidential all information provided to it by the New Service Customer. Pursuant to Section 205.4 of the PJM Tariff, upon completion of the System Impact Study, the Transmission Provider shall provide a copy of the System Impact Study to all New Service Customers whose New Service Requests were evaluated in the System Impact Study along with all related work papers. Additionally, Transmission Provider shall post on Transmission Provider's OASIS (i) the existence of the System Impact Study, (ii) the New Service Customers that had New Service Requests evaluated in the System Impact Study, (iii) the location and size in megawatts of each New Service Customer's generation project, if applicable, and (iv) each New Service Customer's Queue Position. Additionally, New Service Customer acknowledges and consents to such other disclosures as may be required under the PJM Tariff or the FERC's rules and regulations.
9. New Service Customer acknowledges that, consistent with Part VI of the PJM Tariff, the Transmission Owners will participate in the System Impact Study process and that the Transmission Provider may disseminate information to the Transmission Owners and rely upon them to conduct part or all of the System Impact Study.

COST RESPONSIBILITY

10. The New Service Customer shall reimburse the Transmission Provider for the actual cost of the System Impact Study in accordance with its cost responsibility as determined under Sections 110.2, 111.2 or 203 of the PJM Tariff. The deposit described in Section 3 of this Agreement, paid by the New Service Customer pursuant to Sections 110.2, 111.2, or 204.3A of the PJM Tariff, shall be applied toward the New Service Customer's System Impact Study cost responsibility. In the event that the Transmission Provider anticipates that the New Service Customer's study cost responsibility will substantially exceed the deposit, the Transmission Provider shall provide the New Service Customer with an estimate of the study costs and the New Service Customer's cost responsibility. Within 10 days of receiving such estimate, the New Service Customer may withdraw its New Service Request by providing notice to the Transmission Provider, in which event the deposit paid to Transmission Provider shall be refunded. Unless the New Service Request is withdrawn within 10 days, the New Service Customer agrees to pay the amount of its actual System Impact Study cost responsibility.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

11. In analyzing and preparing the System Impact Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the New Service Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF

PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE SYSTEM IMPACT STUDY. The New Service Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this System Impact Study Agreement nor the System Impact Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the New Service Customer either at this point in time or in the future.

12. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether arising under this System Impact Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this System Impact Study Agreement.

Without limitation of the foregoing, the New Service Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any System Impact Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

13. Any notice or request made to or by either party regarding this System Impact Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA 19403-~~2497~~

New Service Customer

14. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this System Impact Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
15. This System Impact Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
16. This System Impact Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
17. Neither this System Impact Study Agreement nor the System Impact Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
18. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
19. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the PJM Tariff.
20. This System Impact Study Agreement shall be effective as of the date of the New Service Customer's execution of it and shall remain in effect until the earlier of (a) the date on which the Transmission Provider tenders the completed System Impact Study and a proposed Facilities Study Agreement to New Service Customer pursuant to Section 206 of the PJM Tariff, or (b) termination and withdrawal of the New Service Request(s) to which the System Impact Study hereunder relates.
21. **No Third-Party Beneficiaries**
This System Impact Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
22. **Multiple Counterparts**
This System Impact Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
23. **No Partnership**
This System Impact Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

24. Severability

If any provision or portion of this System Impact Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this System Impact Study Agreement shall remain in full force and effect.

25. Governing Law, Regulatory Authority, and Rules

For Interconnection Requests, the validity, interpretation and enforcement of this System Impact Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This System Impact Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

26. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this System Impact Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this System Impact Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this System Impact Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the New Service Customer have caused this System Impact Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____

Name Title Date

Printed Name

New Service Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

**ATTACHMENT N-2
FORM OF
FACILITIES STUDY AGREEMENT**

(PJM Queue Position #____)

RECITALS

1. This Facilities Study Agreement ("Agreement"), dated as of _____, is entered into by and between _____ ("New Service Customer") and PJM Interconnection, L.L.C. ("Transmission Provider"), pursuant to Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff").
2. Pursuant to Section 36.2 or Section 205 of the PJM Tariff, Transmission Provider has completed a Generation or Transmission Interconnection Feasibility Study or an Initial Study (as applicable) and a System Impact Study and has provided the results of those studies to New Service Customer.
3. Transmission Provider has informed New Service Customer that the estimated date for completion of a Facilities Study pursuant to Section 206 of the PJM Tariff is {date} and that New Service Customer's estimated cost responsibility for such Facilities Study, subject to revision as provided in this Agreement, is \$ _____.
4. New Service Customer desires that Transmission Provider commence a Facilities Study for the New Service Request with Queue Position {queue position}.

PREVIOUS SUBMISSIONS

{For Interconnection Customers, use the following paragraph 5}

5. Except as otherwise specifically set forth in an attachment to this Agreement, New Service Customer represents and warrants that the information provided in section 3 of the Feasibility Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, and to the extent supplemented as set forth in section 4 of the System Impact Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, is accurate and complete as of the date of execution of this Facilities Study Agreement.

{For New Service Customers other than Interconnection Customers use the following paragraph 5}

5. Except as otherwise specifically set forth in an attachment to this Agreement, New Service Customer represents and warrants that the information provided in section 4 of the System Impact Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, is accurate and complete as of the date of execution of this Facilities Study Agreement.

MILESTONES

6. Pursuant to Section 206.1 of the PJM Tariff, the parties agree that New Service Customer must meet the following milestone dates relating to the development of its generation or merchant transmission project(s) or New Service Request, as applicable, in order to retain the assigned Queue Position of its New Service Request(s) (as established pursuant to Section 201 of the PJM Tariff) while Transmission Provider is completing the Facilities Study:

[Specify Project Specific Milestones]

[As appropriate include the following standard Milestones, with any revisions necessary for the project at hand]

- 6.1 Unless New Service Customer previously specified, in its initial drawing submitted to Transmission Provider, the location of the high-side of the generator step-up transformer, then on or before _____, New Service Customer must provide evidence of an ownership interest in, or right to acquire or control the location which shall be on the high voltage side of the Customer Facility generator step-up transformer(s), or in the case of a Customer Facility with a single step-up transformer for multiple generators, the high voltage side of the facility step-up transformer. The evidence of site control shall be a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider.
- 6.2 To the extent New Service Customer intends to elect the Option to Build as provided in Appendix 2 to Attachment P of the Tariff, and to the extent any new or additional property is required to accommodate required Attachment Facilities, on or before _____, New Service Customer must provide evidence of an ownership interest in, or right to acquire or control the location which shall be the location of the network substation which shall be built and subsequently transferred to the Interconnected Transmission Owner. The evidence of site control shall be a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider.

[Add Additional Project Specific Milestones as appropriate]

Should New Service Customer fail to achieve any of the foregoing milestones, its New Service Request(s) shall be deemed to be withdrawn and terminated and it will have to resubmit its New Service Request(s) for reassignment of a Queue Position and re-initiation of the New Service Request study process.

PURPOSE AND SCOPE OF THE FACILITIES STUDY

7. Transmission Provider, in consultation with the affected Transmission Owner(s), shall commence a Facilities Study pursuant to Section 206 of the PJM Tariff to evaluate the Attachment Facilities, Local Upgrades and/or Network Upgrades necessary to accommodate New Service Customer's New Service Request assigned Queue Position **{insert queue position}**. **{Add corresponding info on customer's other projects if necessary.}**
 - A. **Scope of Facilities Study:** The purpose of the Facilities Study is to provide, commensurate with any mutually agreed parameters regarding the scope and degree of specificity described in Schedule A attached to this agreement, conceptual engineering and, as appropriate, detailed design, plus cost estimates and project schedules, to implement the conclusions of the System Impact Study regarding the Attachment Facilities, Local Upgrades and Network Upgrades necessary to accommodate the New Service Customer's New Service Request(s). Cost estimates shall be determined in a manner consistent with Section 217 of the PJM Tariff. The nature and scope of the materials that Transmission Provider shall deliver to the New Service Customer upon completion of the Facilities Study shall be described in the PJM Manuals.
 - B. **Facilities Study Cost and Time Estimate:** Transmission Provider's estimates of the date for completion of the Facilities Study and of New Service Customer's cost responsibility for the Facilities Study are stated in section 3 of this Agreement. In the event that Transmission Provider determines that it will be unable to complete the Facilities Study by the estimated completion date stated in section 3 of this Agreement, it shall notify New Service Customer and will explain the reasons for the delay. New Service Customer agrees that its estimated cost responsibility stated in section 3 is subject to revision as provided in sections 14, 15 and 16 of this Agreement.
8. The Facilities Study necessarily will employ various assumptions regarding New Service Customer's New Service Request(s), other pending New Service Requests, and PJM's Regional Transmission Expansion Plan at the time of the study. **IN NO EVENT SHALL THIS AGREEMENT OR THE FACILITIES STUDY IN ANY WAY BE DEEMED TO OBLIGATE TRANSMISSION PROVIDER OR THE TRANSMISSION OWNERS TO CONSTRUCT ANY FACILITIES OR UPGRADES OR TO PROVIDE ANY TRANSMISSION OR INTERCONNECTION SERVICE TO OR ON BEHALF OF NEW SERVICE CUSTOMER EITHER AT THIS POINT IN TIME OR IN THE FUTURE.**

CONFIDENTIALITY

9. New Service Customer agrees to provide all information requested by Transmission Provider necessary to complete the Facilities Study. Subject to section 10 of this Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this section 9 shall be and remain confidential.

10. Until completion of the Facilities Study, Transmission Provider shall keep confidential all information provided to it by the New Service Customer. Upon completion of the Facilities Study, Transmission Provider shall provide a copy of the study to New Service Customer, and to all other New Service Customers whose New Service Requests were evaluated in the Facilities Study, along with (to the extent consistent with Transmission Provider's confidentiality obligations in Section 18.17 of the Operating Agreement) all related work papers. Transmission Provider also shall post on its OASIS the existence of the Facilities Study. New Service Customer acknowledges and consents to such other, additional disclosures of information as may be required under the PJM Tariff or the FERC's rules and regulations.
11. New Service Customer acknowledges that, consistent with Part VI of the PJM Tariff, the affected Transmission Owner(s) will participate in the Facilities Study process and that Transmission Provider may disseminate information to the affected Transmission Owner(s) and may consult with them regarding part or all of the Facilities Study.

COST RESPONSIBILITY

12.
 - A. New Service Customer shall reimburse Transmission Provider for all, or for an allocated portion of, the actual cost of the Facilities Study in accordance with its cost responsibility as determined under Section 206 of the PJM Tariff.
 - B. Prior to initiating the Facilities Study, Transmission Provider shall bill New Service Customer for New Service Customer's share of the cost of work on the study that is scheduled to be completed during the first three months after work commences. Thereafter, on or before the 5th business day of every third month, Transmission Provider shall bill New Service Customer for New Service Customer's share of the cost of work expected to be completed on the Facilities Study during the ensuing three months. New Service Customer shall pay each bill within twenty (20) days after receipt thereof. In the event New Service Customer fails, other than as provided below regarding billing disputes, to make timely payment of any invoice for work on the Facilities Study, its New Service Request shall be deemed to be terminated and withdrawn as of the date when payment was due. Notwithstanding the foregoing, in the event that the total estimated cost of the Facilities Study does not exceed the amount of the deposit required under Section 206 of the PJM Tariff, Transmission Provider shall apply the deposit in payment of the invoices for the cost of the Facilities Study. Upon written request by the New Service Customer pursuant to Section 206.4.1.1 of the PJM Tariff, Transmission Provider may provide a quarterly cost reconciliation. Subject to the following sentence regarding the final cost reconciliation upon completion of the Facility Study, such a quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work. Within 120 days after Transmission Provider completes the Facilities Study, Transmission Provider shall provide a final invoice presenting an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) New Service Customer's cost responsibility under this Agreement

and the PJM Tariff for the actual cost of the Facilities Study and (b) New Service Customer's aggregate payments hereunder, including its deposits.

C. In the event of a billing dispute, Transmission Provider shall continue to perform its obligations under this Agreement so long as (1) New Service Customer continues to make all payments not in dispute, and (2) New Service Customer's aggregate deposits held by Transmission Provider under this Agreement while the dispute is pending exceeds the amount in dispute, or (3) New Service Customer pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If New Service Customer fails to meet any of these requirements, then its New Service Request shall be deemed to be terminated and withdrawn as of the date when payment was due.

13. Concurrent with execution of this Agreement, New Service Customer will pay Transmission Provider a cash deposit, as provided by Section 206 of the PJM Tariff, equal to the greater of \$100,000.00 or New Service Customer's estimated cost responsibility for the first three months of work on the Facilities Study. Notwithstanding the foregoing, an Interconnection Customer with a proposed Customer Facility that is: (a) equal to or less than 20 MW but greater than 2 MW shall pay a refundable deposit in the amount of \$50,000; or (b) equal to or less than 2 MW shall pay a refundable deposit in the amount of \$15,000. New Service Customer's quarterly estimated cost responsibility shall equal its estimated cost responsibility for the work on the Facilities Study that is scheduled to be completed during each three-month period after such work commences. If New Service Customer fails timely to provide the deposit required by this section, its New Service Request shall be deemed terminated and withdrawn and this Agreement shall be null and void. New Service Customer acknowledges that it may become obligated to pay one or more additional deposits pursuant to sections 14 and 15 below. Except as otherwise provided in section 12.B above, Transmission Provider shall continue to hold the amounts on deposit under this agreement until settlement of the final invoice.
14. If the Facilities Study, as described in section 7.A of this Agreement, is to include evaluation of more than one New Service Request and one or more of those requests is terminated and withdrawn, subject to the terms of section 15 of this Agreement, Transmission Provider will redetermine and reallocate the costs of the Facilities Study among the remaining participating New Service Customers in accord with Section 206 of the PJM Tariff. In that event, and subject to the terms of section 15, within 30 days after the date for execution and return of Facilities Study Agreements as determined under Section 206 of the PJM Tariff, Transmission Provider will provide the New Service Customer with a written statement of the New Service Customer's revised responsibility for the estimated cost of the Facilities Study, determined in accordance with Section 206 of the PJM Tariff. In the event that New Service Customer's revised cost responsibility exceeds the sum of its previous deposits for the Facilities Study, it shall deliver to Transmission Provider, within 10 days after New Service Customer's receipt of its revised cost responsibility, an additional cash deposit equal to the amount of the excess. If New Service Customer fails timely to provide an additional deposit that is required

under this section, its New Service Request shall be deemed terminated and withdrawn as of the date by which its additional deposit was due. In the event that New Service Customer's revised cost responsibility under the notice described in this section is less than the sum of its previous deposits for the Facilities Study, Transmission Provider shall return to New Service Customer, with its notice of the revised cost responsibility, the amount of the difference.

15.
 - A. This section shall apply prior to commencement of the Facilities Study (1) if the Facilities Study is to include multiple New Service Requests; and (2) if, in Transmission Provider's reasonable judgment, the termination and withdrawal of one or more of those New Service Requests significantly changes the group of New Service Requests to be included in the Facilities Study from the group that was included in the System Impact Study. For the purposes of this section, a change to the group of New Service Requests to be included in the Facilities Study shall be significant if, in Transmission Provider's reasonable engineering judgment, the change is likely to cause the system constraints relating to, and/or the facilities and upgrades necessary to accommodate, the group of New Service Requests remaining to be included in the Facilities Study to differ materially from the system constraints relating to, and/or from the facilities and upgrades necessary to accommodate, the group of New Service Requests that the System Impact Study evaluated.
 - B. In the event of a significant change to the group of New Service Requests that the System Impact Study evaluated, within 15 days after the date for execution and return of Facilities Study Agreements as determined under Section 206 of the PJM Tariff, Transmission Provider shall provide New Service Customer with an explanation of the nature and extent of the change in the affected group of New Service Requests and of the extent to which Transmission Provider has determined that it must re-assess the results of the System Impact Study. Within 30 days after it provides the explanation described in the preceding sentence, Transmission Provider shall provide New Service Customer with a revised estimate of the time needed, and of the likely cost, to complete the Facilities Study, and, if the study continues to include evaluation of more than one New Service Customer's New Service Request(s), New Service Customer's allocated share of the estimated cost of the revised Facilities Study, determined in accord with Section 206 of the PJM Tariff.
 - C. In the event that New Service Customer's revised cost responsibility exceeds the sum of its previous deposits for the Facilities Study, it shall deliver to Transmission Provider, within 10 days after New Service Customer's receipt of its revised cost responsibility, an additional cash deposit equal to the amount of the excess. If New Service Customer fails timely to provide an additional deposit that is required under this section, its New Service Request shall be deemed terminated and withdrawn as of the date by which its additional deposit was due. In the event that New Service Customer's revised cost responsibility under the notice described in this section is less than the sum of its previous deposits for the Facilities Study, Transmission Provider shall return to New Service Customer, with its notice of the revised cost responsibility, the amount of the difference.

16. A. If the Facilities Study includes New Service Customer's New Service Request(s) only, New Service Customer may terminate its participation in the study at any time by providing written notice of termination to Transmission Provider. New Service Customer's notice of termination (1) shall be effective as of the end of the business day following the day that Transmission Provider receives such notice and (2) concurrently shall have the effect of terminating and withdrawing New Service Customer's New Service Request(s). New Service Customer will be responsible for all costs of the Facilities Study that Transmission Provider incurred prior to the effective date of the notice of termination. Within thirty (30) days after the effective date of New Service Customer's notice of termination, Transmission Provider will deliver to New Service Customer a statement of New Service Customer's responsibility for the costs of the Facilities Study incurred up to the date of termination. In the event that New Service Customer's cost responsibility as of the date of termination exceeds the sum of its deposits then held by Transmission Provider for the Facilities Study, Transmission Provider's statement will include an invoice in the amount of such excess. New Service Customer will pay that invoice within ten (10) days after it receives it. In the event that New Service Customer does not pay the invoice within ten (10) days after receipt, New Service Customer shall owe the invoice amount plus interest at the applicable rate prescribed in 18 C.F.R. § 35.19a (a)(2)(iii), accrued from the day after the date payment was due until the date of payment. In the event that New Service Customer's cost responsibility as of the date of termination was less than the sum of its deposits for the Facilities Study, Transmission Provider's statement will include a payment to New Service Customer in the amount of the difference.
- B. If the Facilities Study includes any New Service Request(s) other than that (those) of New Service Customer, termination and withdrawal of New Service Customer's New Service Request(s) at any time after Transmission Provider has commenced the Facilities Study will not alter New Service Customer's responsibility for the costs of the Facilities Study under this Agreement and the PJM Tariff.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

17. In analyzing and preparing the Facilities Study, Transmission Provider, the Transmission Owners, and any other subcontractors employed by Transmission Provider shall have to rely on information provided by New Service Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNERS, NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY. New Service Customer acknowledges that it has not relied on any representations or warranties not

specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

18. In no event will Transmission Provider, the Transmission Owners or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Facilities Study Agreement or the Facilities Study, even if Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider be liable for any delay in delivery, or for the non-performance or delay in performance, of Transmission Provider's obligations under this Agreement.

Without limitation of the foregoing, New Service Customer further agrees that the Transmission Owners and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Facilities Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

19. Any notice or request made to or by either party regarding this Facilities Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd.

~~Valley Forge Corporate Center~~

~~Norristown~~ Audubon, PA 19403-~~2497~~

New Service Customer

20. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
21. This Agreement or any part thereof, may not be amended, modified, assigned or waived other than by a writing signed by all parties hereto.
22. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.

23. Neither this Agreement nor the Facilities Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
24. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
25. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the PJM Tariff.
26. This Facilities Study Agreement shall be effective as of the date of the New Service Customer's execution of it and shall remain in effect until the earlier of (a) the date on which the Transmission Provider tenders the completed Facilities Study and, as applicable, a proposed Interconnection Service Agreement or Upgrade Construction Service Agreement to New Service Customer pursuant to Section 212 or Section 213, respectively, of the PJM Tariff, or (b) termination and withdrawal of the New Service Request(s) to which the Facilities Study hereunder relates.
27. **No Third-Party Beneficiaries**
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
28. **Multiple Counterparts**
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
29. **No Partnership**
This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.
30. **Severability**
If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
31. **Governing Law, Regulatory Authority, and Rules**
For Interconnection Requests, the validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of

_____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

32. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, Transmission Provider and the New Service Customer have caused this Facilities Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

New Service Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

Schedule A
Details of Design and Cost Estimates/Quality
For the Facilities Study

[insert details regarding degree of accuracy of cost estimates and associated scope of design as mutually agreed by Transmission Provider and New Service Customer]

ATTACHMENT N-3

FORM OF

OPTIONAL INTERCONNECTION STUDY AGREEMENT

(PJM Queue Position #___)

THIS AGREEMENT is made and entered into this ___ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____, a _____ existing under the laws of the State of _____, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties”.

RECITALS

WHEREAS, Interconnection Customer is proposing to develop or expand a generating facility or Merchant Transmission Facilities consistent with the Interconnection Request submitted by the Interconnection Customer dated _____ and designated as project [Queue Position].

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the System Impact Study results, Interconnection Customer has further requested that the Transmission Provider prepare an Optional Interconnection Study;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. when used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the PJM Interconnection L.L.C. Open Access Transmission Tariff (“Tariff”).
2. Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 209 of the Tariff to be performed in accordance with the Tariff.
3. The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Optional Interconnection Study shall be performed solely for informational purposes.

5. The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify the Attachment Facilities, Local Upgrade and Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.
6. The Interconnection Customer shall provide an initial deposit of \$10,000 for the performance of the Optional Interconnection Study. The Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date]. Within 45 days after Transmission Provider completes the Optional Interconnection Study, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's cost responsibility under this Agreement and the PJM Tariff for the actual cost of the Optional Interconnection Study and (b) Interconnection Customer's aggregate payments hereunder, including its deposits.

Upon delivery of the Optional Interconnection Study, the Transmission Provider shall charge and the Interconnection Customer shall pay the actual costs of the Optional Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

7. In analyzing and preparing the Optional Study, Transmission Provider, the Transmission Owners, and any other subcontractors employed by Transmission Provider shall have to rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNERS, NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE OPTIONAL INTERCONNECTION STUDY. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
8. In no event will Transmission Provider, the Transmission Owners or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Optional Interconnection Study Agreement or the Optional Interconnection Study, even if Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, the Transmission Owners, or other

subcontractors employed by Transmission Provider be liable for any delay in delivery, or for the non-performance or delay in performance, of Transmission Provider's obligations under this Agreement.

Without limitation of the foregoing, Interconnection Customer further agrees that the Transmission Owners and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Optional Interconnection Study shall be deemed third party beneficiaries of this section 8.

MISCELLANEOUS

9. Any notice or request made to or by either party regarding this Optional Interconnection Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA 19403-2497

Interconnection Customer

10. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
11. This Agreement or any part thereof, may not be amended, modified, assigned or waived other than by a writing signed by all parties hereto.
12. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
13. Neither this Agreement nor the Optional Interconnection Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
14. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
15. This Optional Interconnection Study Agreement shall be effective as of the date of the Interconnection Customer's execution of it and shall remain in effect until the earlier of (a) completion and final payment for the Optional Interconnection Study or (b)

termination and withdrawal of the Interconnection Request(s) to which the Optional Interconnection Study hereunder relates.

16. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

17. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

18. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

19. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority 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, the other Party.

20. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

21. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in

which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, Transmission Provider and the Interconnection Customer have caused this Optional Interconnection Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Interconnection Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

**FORM OF
INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM Interconnection, L.L.C.**

And

[Name of Interconnection Customer]

And

[Name of Interconnected Transmission Owner]

(PJM Queue Position #__)

- 1.0 Parties. This Interconnection Service Agreement (“ISA”) including the Specifications, Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C., the Regional Transmission Organization for the PJM Region (hereinafter “Transmission Provider” or “PJM”), _____ (“Interconnection Customer” [OPTIONAL: or “[short name]”]) and _____ (“Interconnected Transmission Owner” [OPTIONAL: or “[short name]”]). All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the PJM Open Access Transmission Tariff (“Tariff”). [Use as/when applicable: This ISA supersedes the _____ {insert details to identify the agreement being superseded, such as whether it is an Interim Interconnection Service Agreement, Interconnection Service Agreement, or Interconnection Agreement, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}]]
- 2.0 Authority. This ISA is entered into pursuant to Part VI of the Tariff. Interconnection Customer has requested an Interconnection Service Agreement under the Tariff, and Transmission Provider has determined that Interconnection Customer is eligible under the Tariff to obtain this ISA. The standard terms and conditions for interconnection as set forth in Appendix 2 to this ISA are hereby specifically incorporated as provisions of this ISA. Transmission Provider, Interconnected Transmission Owner and Interconnection Customer agree to and assume all of the rights and obligations of the Transmission Provider, Interconnected Transmission Owner and Interconnection Customer, respectively, as set forth in Appendix 2 to this ISA.
- 3.0 Customer Facility Specifications. Attached are Specifications for the Customer Facility that Interconnection Customer proposes to interconnect with the Transmission System. Interconnection Customer represents and warrants that, upon completion of construction of such facilities, it will own or control the Customer Facility identified in section 1.0 of the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the Customer Facility, Interconnection Customer represents and warrants that it is authorized by the owner(s) thereof to enter into this ISA and to represent such control.
- 4.0 Effective Date. Subject to any necessary regulatory acceptance, this ISA shall become effective on the date it is executed by all Interconnection Parties, or, if the agreement is

filed with FERC unexecuted, upon the date specified by FERC. This ISA shall terminate on such date as mutually agreed upon by the parties, unless earlier terminated in accordance with the terms set forth in Appendix 2 to this ISA. The term of the ISA shall be as provided in Section 1.3 of Appendix 2 to this ISA. Interconnection Service shall commence as provided in Section 1.2 of Appendix 2 to this ISA.

- 5.0 Security. In accord with Section 212.4 of the Tariff, Interconnection Customer shall provide the Transmission Provider (for the benefit of the Interconnected Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to the Transmission Provider and that names the Transmission Provider as beneficiary (“Security”) in the amount of \$_____. This amount represents the sum of the estimated Costs, determined in accordance with Sections 212 and 217 of the Tariff, for which the Interconnection Customer will be responsible, less any Costs already paid by Interconnection Customer. Interconnection Customer acknowledges that its ultimate cost responsibility in accordance with Section 217 of the Tariff will be based upon the actual Costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section.

[Include the following if Interconnection Customer requests deferral of the security as provided for in Section 212.4(c) of the Tariff:

For any portion of the security that may be deferred in accordance with Section 212.4(c) of the Tariff, and as requested by Interconnection Customer, Interconnection Customer shall provide the security specified in this Section 5.0 within 120 days after the Interconnection Customer executes this ISA, provided that Interconnection Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.]

Should Interconnection Customer fail to provide security at the time the Interconnection Customer executes this ISA, or, if deferred, by the end of the 120-day period, this ISA shall be terminated.

- 6.0 Project Specific Milestones. In addition to the milestones stated in Section 212.5 of the Tariff, as applicable, during the term of this ISA, Interconnection Customer shall ensure that it meets each of the following development milestones:

[Specify Project Specific Milestones]

[As appropriate include the following standard Milestones, with any revisions necessary for the project at hand:

- 6.1 Substantial Site work completed. On or before _____ Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.
- 6.2 Delivery of major electrical equipment. On or before _____, Interconnection Customer must demonstrate that ___ generating units have been delivered to Interconnection Customer's project site.
- 6.3 Commercial Operation. (i) On or before _____, Interconnection Customer must demonstrate commercial operation of ___ generating units; (ii) On or before _____, Interconnection Customer must demonstrate commercial operation of ___ additional generating units. Demonstrating commercial operation includes achieving Initial Operation in accordance with Section 1.4 of Appendix 2 to this ISA and making commercial sales or use of energy, as well as, if applicable, obtaining capacity qualification in accordance with the requirements of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.
- [if a specific situation requires a CSA by a certain date then use the following: Interconnection Construction Service Agreement. On or before _____, Interconnection Customer must have either (a) executed an Interconnection Construction Service Agreement for Interconnection Facilities for which Interconnection Customer has cost responsibility; (b) requested dispute resolution under Section 12 of the PJM Tariff, or if concerning the Regional Transmission Expansion Plan, consistent with Schedule 5 of the Operating Agreement; or (c) requested that the Transmission Provider file the Interconnection Construction Service Agreement unexecuted with the Commission.]
- 6.4 Within one (1) month following commercial operation of generating unit(s), Interconnection Customer must provide certified documentation demonstrating that "as-built" Customer Facility and Customer Interconnection Facilities are in accordance with applicable PJM studies and agreements. Interconnection Customer must also provide PJM with "as-built" electrical modeling data or confirm that previously submitted data remains valid.

[Add Additional Project Specific Milestones as appropriate]

Interconnection Customer shall demonstrate the occurrence of each of the foregoing milestones to Transmission Provider's reasonable satisfaction. Transmission Provider may reasonably extend any such milestone dates, in the event of delays that Interconnection Customer (i) did not cause and (ii) could not have remedied through the exercise of due diligence. The milestone dates stated in this ISA shall be deemed to be extended coextensively with any suspension of work initiated by Interconnection Customer in accordance with the Interconnection Construction Service Agreement.

- 7.0 Provision of Interconnection Service. Transmission Provider and Interconnected Transmission Owner agree to provide for the interconnection to the Transmission System in the PJM Region of Interconnection Customer's Customer Facility identified in the Specifications in accordance with Part IV and Part VI of the Tariff, the Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), and this ISA, as they may be amended from time to time.
- 8.0 Assumption of Tariff Obligations. Interconnection Customer agrees to abide by all rules and procedures pertaining to generation and transmission in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation or scheduling transmission set forth in the Tariff, the Operating Agreement and the PJM Manuals.
- 9.0 Facilities Study. In analyzing and preparing the [Facilities Study] [System Impact Study {if a Facilities Study was not required}], and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(s), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF A FACILITIES STUDY WAS NOT REQUIRED OR OF THE ATTACHMENT FACILITIES, THE LOCAL UPGRADES AND/OR THE NETWORK UPGRADES, PROVIDED, HOWEVER, that Transmission Provider warrants that the Transmission Owner Interconnection Facilities and any Merchant Transmission Upgrades described in the Specifications will be designed and constructed (to the extent that Interconnected Transmission Owner is responsible for design and construction thereof) and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.0 Construction of Transmission Owner Interconnection Facilities
- 10.1. Cost Responsibility. Interconnection Customer shall be responsible for and shall pay upon demand all Costs associated with the interconnection of the Customer Facility as specified in the Tariff. These Costs may include, but are not limited to,

an Attachment Facilities charge, a Local Upgrades charge, a Network Upgrades charge and other charges, as well as Costs of any Merchant Network Upgrades constructed on behalf of Interconnection Customer. A description of the facilities required and an estimate of the Costs of these facilities are included in Sections 3.0 and 4.0 of the Specifications to this ISA.

- 10.2. Billing and Payments. Transmission Provider shall bill the Interconnection Customer for the Costs associated with the facilities contemplated by this ISA, estimates of which are set forth in the Specifications to this ISA, and the Interconnection Customer shall pay such Costs, in accordance with Section 11 of Appendix 2 to this ISA and the applicable Interconnection Construction Service Agreement. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the applicable Interconnected Transmission Owner. Pursuant to Section 212.4 of the Tariff, Interconnection Customer requests that Transmission Provider provide a quarterly cost reconciliation:

_____ Yes

_____ No

- 10.3. Contract Option. In the event that the Interconnection Customer and Interconnected Transmission Owner agree to utilize the Negotiated Contract Option provided by the Interconnection Construction Service Agreement to establish, subject to FERC acceptance, non-standard terms regarding cost responsibility, payment, billing and/or financing, the terms of Sections 10.1 and/or 10.2 of this Section 10.0 shall be superseded to the extent required to conform to such negotiated terms, as stated in a schedule attached to the parties' Interconnection Construction Service Agreement relating to interconnection of the Customer Facility.

- 10.4 In the event that the Interconnection Customer elects to construct some or all of the Transmission Owner Interconnection Facilities and/or of any Merchant Network Upgrades under the Option to Build of the Interconnection Construction Service Agreement, billing and payment for the Costs associated with the facilities contemplated by this ISA shall relate only to such portion of the Interconnection Facilities and/or any Merchant Network Upgrades as the Interconnected Transmission Owner is responsible for building.

11.0 Interconnection Specifications

- 11.1 Point of Interconnection. The Point of Interconnection shall be as identified on the one-line diagram attached as Schedule B to this ISA.

11.2 List and Ownership of Interconnection Facilities. The Interconnection Facilities to be constructed and ownership of the components thereof are identified in Section 3.0 of the Specifications attached to this ISA.

11.2A List and Ownership of Merchant Network Upgrades. If applicable, Merchant Network Upgrades to be constructed and ownership of the components thereof are identified in Section 3.0 of the Specifications attached to this ISA.

11.3 Ownership and Location of Metering Equipment. The Metering Equipment to be constructed, the capability of the Metering Equipment to be constructed, and the ownership thereof, are identified on the attached Schedule C to this ISA.

11.4 Applicable Technical Standards. The Applicable Technical Requirements and Standards that apply to the Customer Facility and the Interconnection Facilities are identified in Schedule D to this ISA.

12.0 Power Factor Requirement.

Consistent with Section 4.7 of Appendix 2 to this ISA, the power factor requirement is as follows:

[For Generation Interconnection Customers]

{The following language should be included for new large and small synchronous generation facilities that will have the Tariff specified power factor. This section does not apply if the Interconnection Request is for an incremental increase in generating capability.}

The Interconnection Customer shall design its Customer Facility with the ability to maintain a power factor of at least 0.95 leading to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

{Include the appropriate alternative from the language below for new wind or non-synchronous generation facilities. This section does not apply if the Interconnection Request is for an incremental increase in generating capability.}

The result of the System Impact Study indicated that, for the safety and reliability of the Transmission System, no power factor requirement is required for the [wind-powered] [non-synchronous] Customer Facility.

{or}

The results of the System Impact Study require that, for the safety or reliability of the Transmission System, the Generation Interconnection Customer shall design its [wind-powered] [non-synchronous] Customer Facility with the ability to maintain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection.

{include the following language if the Interconnection Request is for an incremental increase in capacity or energy output to a synchronized generation facility}

The existing ___ MW portion of the Customer Facility shall retain its existing ability to maintain a power factor of at least 0.95 leading to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

The increase of ___ MW to the Customer Facility associated with this ISA shall be designed with the ability to maintain a power factor of at least 1.0 (unity) to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

{Include the appropriate alternative from the language below for Interconnection Requests for an incremental increase in capacity or energy output to all wind or non-synchronized generation facility.}

The results of the System Impact Study indicate that, for the safety or reliability of the Transmission System, no power factor requirement is necessary for the [existing ___ MW or the increase of ___ MW associated with this ISA] [increase of ___ MW associated with this ISA, but that the existing ___ MW of the Customer Facility must retain its ability to retain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection] [existing ___ MW of the Customer Facility but that the increase of ___ MW associated with this ISA must be designed with the ability to maintain a power factor requirement of 1.0 (unity) to 0.90 lagging measured at the Point of Interconnection].

{or}

The results of the System Impact Study indicate that, for the safety or reliability of the Transmission System, (i) the existing ___ MW portion of the Customer Facility shall retain its existing ability to maintain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection and (ii) the increase of ___ MW to the Customer Facility associated with this ISA shall be designed with the ability to maintain a power factor of at least 1.0 (unity) to 0.95 lagging measured at the Point of Interconnection.

[For Transmission Interconnection Customers]

{The following language should be included only for new Merchant Transmission Facilities}

Transmission Interconnection Customer shall design its Merchant D.C. Transmission Facilities and/ or Controllable A.C. Merchant Transmission Facilities, to maintain a power factor at the Point of Interconnection of at least 0.95 leading and 0.95 lagging, when such Customer Facility is operating at any level within its approved operating range.

[Include section 12A.0 only when applicable, i.e., only for a facility for which Transmission Provider and Interconnected Transmission Owner deem an RTU (or equivalent) to be unnecessary]

- 12A.0 RTU. In accordance with Section 8.5.2 of Appendix 2 to this ISA, that provision's requirement for installation of a remote terminal unit or equivalent data collection and transfer equipment is hereby waived for purposes of this ISA.
- 13.0 Charges. In accordance with Sections 10 and 11 of Appendix 2 to this ISA, the Interconnection Customer shall pay to the Transmission Provider the charges applicable after Initial Operation, as set forth in Schedule E to this ISA. Promptly after receipt of such payments, the Transmission Provider shall forward such payments to the appropriate Interconnected Transmission Owner.
- 14.0 Third Party Beneficiaries. No third party beneficiary rights are created under this ISA, except, however, that, subject to modification of the payment terms stated in Section 10 of this ISA pursuant to the Negotiated Contract Option, payment obligations imposed on Interconnection Customer under this ISA are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner(s). Interconnection Customer expressly agrees that the Interconnected Transmission Owner(s) shall be entitled to take such legal recourse as it deems appropriate against Interconnection Customer for the payment of any Costs or charges authorized under this ISA or the Tariff with respect to Interconnection Service for which Interconnection Customer fails, in whole or in part, to pay as provided in this ISA, the Tariff and/or the Operating Agreement.
- 15.0 Waiver. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 16.0 Amendment. This ISA or any part thereof, may not be amended, modified, or waived other than by a written document signed by all parties hereto.
- 17.0 Construction With Other Parts Of The Tariff. This ISA shall not be construed as an application for service under Part II or Part III of the Tariff.
- 18.0 Notices. Any notice or request made by either party regarding this ISA shall be made, in accordance with the terms of Appendix 2 to this ISA, to the representatives of the other party and as applicable, to the Interconnected Transmission Owner(s), as indicated below:

Transmission Provider:

PJM Interconnection, L.L.C.
955 Jefferson Avenue 2750 Monroe Blvd.
Valley Forge Corporate Center

~~Norristown~~Audubon, PA 19403-~~2497~~

Interconnection Customer:

Interconnected Transmission Owner:

- 19.0 Incorporation Of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject matter of this ISA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.
- 20.0 Addendum of Non-Standard Terms and Conditions for Interconnection Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in Schedule F hereto are hereby incorporated herein by reference and be made a part of this ISA. In the event of any conflict between a provision of Schedule F that FERC has accepted and any provision of Appendix 2 to this ISA that relates to the same subject matter, the pertinent provision of Schedule F shall control.
- 21.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 24.1 of Appendix 2 to this ISA, Schedule G to this ISA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.
- 22.0 Addendum of Interconnection Requirements for a Wind Generation Facility. To the extent required, Schedule H to this ISA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this ISA.
- 23.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this ISA to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed name of signer: _____

Interconnection Customer: **[Name of Party]**

By: _____
Name Title Date

Printed name of signer: _____

Interconnected Transmission Owner: **[Name of Party]**

By: _____
Name Title Date

Printed name of signer: _____

**SPECIFICATIONS FOR
INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM INTERCONNECTION, L.L.C.**

And

[Name of Interconnection Customer]

And

[Name of Interconnected Transmission Owner]

(PJM Queue Position # ____)

1.0 Description of [generating unit(s)] [Merchant Transmission Facilities] (the Customer Facility) to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility:

b. Location of Customer Facility:

c. Size in megawatts of Customer Facility:

{ The following language should be included only for generating units

For Generation Interconnection Customer:

Maximum Facility Output of _____MW }

{The following language applies when a Generation Interconnection Request involves an increase of the capacity of an existing generating facility:

The stated size of the generating unit includes an increase in the Maximum Facility Output of the generating unit of ____ MW over Interconnection Customer's previous interconnection. This increase is a result of the Interconnection Request associated with this Interconnection Service Agreement. }

{ The following language should be included only for Merchant Transmission Facilities

For Transmission Interconnection Customer:

Nominal Rated Capability: _____MW}

d. Description of the equipment configuration:

2.0 Rights

[for Generation Interconnection Customers]

2.1 Capacity Interconnection Rights: {this section will not apply if the Customer Facility is exclusively an Energy Resource and thus is granted no CIRs; see alternate section 2.1 below}

Pursuant to and subject to the applicable terms of the Tariff, the Interconnection Customer shall have Capacity Interconnection Rights at the Point(s) of Interconnection specified in this Interconnection Service Agreement in the amount of ____ MW. {Instructions: this number is the total of the Capacity Interconnection Rights that are granted as a result of the Interconnection Request, plus any prior Capacity Interconnection Rights}

{include the following language to the extent applicable for interconnection of additional generation at an existing generating facility:}

The amount of Capacity Interconnection Rights specified above (____ MW) includes ____ MW of Capacity Interconnection Rights that the Interconnection Customer had at the same Point(s) of Interconnection prior to its Interconnection Request associated with this Interconnection Service Agreement, and ____MW of Capacity Interconnection Rights granted as a result of such Interconnection Request.

{include the following language when the CIRs are only interim and have a termination date or event:}

Interconnection Customer shall have ____ MW of Capacity Interconnection Rights for the time period from ____ to _____. These Capacity Interconnection Rights are interim and will terminate upon {explain circumstances -- e.g. interim agreement; completion of another facility, etc.}

2.1a To the extent that any portion of the Customer Facility described in section 1.0 is not a Capacity Resource with Capacity Interconnection Rights, such portion of the

Customer Facility shall be an Energy Resource. PJM reserves the right to limit total injections to the Maximum Facility Output in the event reliability would be affected by output greater than such quantity.

{this version of section 2.1 will be used in lieu of section 2.1 above when a generating facility will be an Energy Resource and therefore will not be granted any CIRs:}

[2.1 The generating unit(s) described in section 1.0 shall be an Energy Resource. Pursuant to this Interconnection Service Agreement, the generating unit will be permitted to inject ____ MW (nominal) into the system. PJM reserves the right to limit injections to this quantity in the event reliability would be affected by output greater than such quantity.]

[for Transmission Interconnection Customers]

- 2.1 Transmission Injection Rights: [applicable only to Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that interconnect with a control area outside PJM]

Pursuant to Section 232 of the Tariff, Interconnection Customer shall have Transmission Injection Rights at each indicated Point of Interconnection in the following quantity(ies):

- 2.2 Transmission Withdrawal Rights: [applicable only to Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that interconnect with a control area outside PJM]

Pursuant to Section 232 of the Tariff, Interconnection Customer shall have Transmission Withdrawal Rights at each indicated Point of Interconnection in the following quantity(ies):

[Include Section 2.2A only if customer is interconnecting Controllable A.C. Merchant Transmission Facilities]

- 2.2A Interconnection Customer is interconnecting Controllable A.C. Merchant Transmission Facilities as defined in the appended Section 1.6B of the Tariff, and has elected, pursuant to the appended Section 41.1 of the Tariff, to receive Transmission Injection Rights and Transmission Withdrawal Rights in lieu of the other applicable rights for which it may be eligible under Subpart C of Part VI of the Tariff. Accordingly, Interconnection Customer hereby agrees that the Transmission Injection Rights and Transmission Withdrawal Rights awarded to it pursuant to the Tariff and this ISA are, and throughout the duration of this ISA shall be, conditioned on Interconnection Customer's continuous operation of its Controllable A.C. Merchant Transmission Facilities in a controllable manner, i.e., in a manner effectively the same as operation of D.C. transmission facilities.

- 2.3 Incremental Deliverability Rights:

Pursuant to Section 235 of the Tariff, Interconnection Customer shall have Incremental Deliverability Rights at each indicated Point of Interconnection in the following quantity(ies):

2.4 Incremental Available Transfer Capability Revenue Rights:

Pursuant to Section 233 of the Tariff, Interconnection Customer shall have Incremental Available Transfer Capability Revenue Rights at each indicated Point of Interconnection in the following quantities:

2.5 Incremental Auction Revenue Rights:

Pursuant to Section 231 of the Tariff, Interconnection Customer shall have Incremental Auction Revenue Rights in the following quantities:

2.6 Incremental Capacity Transfer Rights:

Pursuant to Section 234 of the Tariff, Interconnection Customer shall have Incremental Capacity Transfer Rights between the following associated source(s) and sink(s) in the indicated quantities:

3.0 Construction Responsibility and Ownership of Interconnection Facilities

a. Interconnection Customer.

(1) Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

[Specify Facilities To Be Constructed]

(2) In the event that, in accordance with the Interconnection Construction Service Agreement, Interconnection Customer has exercised the Option to Build, it is hereby permitted to build in accordance with and subject to the conditions and limitations set forth in that Section, the following portions (1) of the Transmission Owner Interconnection Facilities and/or (2) of any Merchant Network Upgrades which constitute or are part of the Customer Facility:

[Specify Facilities To Be Constructed]

Ownership of the facilities built by Interconnection Customer pursuant to the Option to Build shall be as provided in the Interconnection Construction Service Agreement.

b. Interconnected Transmission Owner {or Name of Interconnected Transmission Owner if more than one Interconnected Transmission Owner }

[Specify Facilities To Be Constructed and Owned]

- c. [if applicable, include the following][Name of any additional Transmission Owner constructing facilities with which Interconnection Customer and Transmission Provider will also execute an Interconnection Construction Service Agreement]

[Specify Facilities To Be Constructed and Owned]

- 4.0 Subject to modification pursuant to the Negotiated Contract Option and/or the Option to Build under the Interconnection Construction Service Agreement, Interconnection Customer shall be subject to the estimated charges detailed below, which shall be billed and paid in accordance with Appendix 2, Section 11 of this ISA and the applicable Interconnection Construction Service Agreement.

4.1 Attachment Facilities Charge: \$_____

[Optional: Provide Charge and Identify Interconnected Transmission Owner]

4.2 Network Upgrades Charge: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.3 Local Upgrades Charge: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.4 Other Charges: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.5 Cost of Merchant Network Upgrades: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.6 Cost breakdown:

\$	Direct Labor
\$	Direct Material
\$	Indirect Labor
\$	Indirect Material

[Additional items for breakdown as necessary]

\$ Total

4.7 Security Amount Breakdown:

 \$ Estimated Cost of Non-Direct Connection Local Upgrades and/or
Non-Direct Connection Network Upgrades

plus \$ Estimated Cost of any Merchant Network Upgrades that
Interconnected Transmission Owner is responsible for building

plus \$ Estimated cost of the work (for the first three months) on the
required Attachment Facilities, Direct Connection Local Upgrades, and Direct
Connection Network Upgrades

plus \$ Option to Build Security for Attachment Facilities, Direct
Connection Local Upgrades, and Direct Connection Network Upgrades (including
Cancellation Costs)

less \$ Costs already paid by Interconnection Customer

 \$ Total Security required with ISA

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD TERMS AND CONDITIONS FOR INTERCONNECTIONS**

SCHEDULES:

- **SCHEDULE A - CUSTOMER FACILITY LOCATION/SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM**
- **SCHEDULE C - LIST OF METERING EQUIPMENT**
- **SCHEDULE D - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE E - SCHEDULE OF CHARGES**
- **SCHEDULE F - SCHEDULE OF NON-STANDARD TERMS & CONDITIONS**
- **SCHEDULE G - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE H - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

ATTACHMENT O-1
FORM OF
INTERIM INTERCONNECTION SERVICE AGREEMENT

By and Among
PJM Interconnection, L.L.C.
and

and

(PJM Queue Position #____)

- 1.0 This Interim Interconnection Service Agreement (“Interim ISA”), including the Specifications attached hereto and incorporated herein, is entered into by and among PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”), [_____] (“Interconnection Customer” [OPTIONAL: or [“short name”]]), and [_____] (“Interconnected Transmission Owner” [OPTIONAL: or [“short name”]]). [Use as/when applicable: This Interim ISA supersedes the _____ {insert details to identify the agreement being superseded, such as whether it is an Interim Interconnection Service Agreement, Interconnection Service Agreement, or Interconnection Agreement, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}]]
- 2.0 Attached are Specifications for the Customer Facility that Interconnection Customer proposes to interconnect to the Transmission Provider’s Transmission System. Interconnection Customer represents and warrants that, upon completion of their construction, it will own or control the facilities identified in the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the facilities, Interconnection Customer represents and warrants that it is authorized by the owners of such facilities to enter into this Interim ISA and to represent such control.
- 3.0 In order to advance the completion of its interconnection under the PJM Open Access Transmission Tariff (“Tariff”), Interconnection Customer has requested an Interim ISA and Transmission Provider has determined that Interconnection Customer is eligible under the Tariff to obtain this Interim ISA.
- 4.0 (a) In accord with Section 211 of the Tariff, Interconnection Customer, on or before the effective date of this Interim ISA, shall provide Transmission Provider (for the benefit of the Interconnected Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to Transmission Provider in the amount of \$ _____, which amount equals the estimated costs, determined in

accordance with Section 217 of the Tariff, of acquiring, designing, constructing and/or installing the facilities described in section 3.0 of the Attached Specifications. Should Interconnection Customer fail to provide such security in the amount or form required, this Interim ISA shall be terminated. Interconnection Customer acknowledges (1) that it will be responsible for the actual costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section, and (2) that the payment security under this section does not include any additional amounts that it will owe in the event that it executes a final Interconnection Service Agreement, as described in section 7.0(a) below.

(b) Interconnection Customer acknowledges (1) that the purpose of this Interim ISA is to expedite, at Interconnection Customer's request, the acquisition, design, construction and/or installation of certain materials and equipment, as described in the Specifications, necessary to interconnect its proposed facilities with Transmission Provider's Transmission System; and (2) that Transmission Provider's Interconnection Studies related to such facilities have not been completed, but that the [identify completed feasibility and/or system impact study(ies)], dated [_____], that included Interconnection Customer's project sufficiently demonstrated, in Interconnection Customer's sole opinion, the necessity of facilities additions to the Transmission System to accommodate Interconnection Customer's project to warrant, in Interconnection Customer's sole judgment, its request that the Interconnected Transmission Owner acquire, design, construct and/or install the equipment indicated in the Specifications for use in interconnecting Interconnection Customer's project with the Transmission System.

5.0 This Interim ISA shall be effective on the date it is executed by all Interconnection Parties and shall terminate upon the execution and delivery by Interconnection Customer and Transmission Provider of the final Interconnection Service Agreement described in section 7.0(a) below, or on such other date as mutually agreed upon by the parties, unless earlier terminated in accordance with the Tariff.

6.0 In addition to the milestones stated in Section 212.5 of the Tariff, during the term of this Interim ISA, Interconnection Customer shall ensure that its generation project meets each of the following development milestones:

[SPECIFY MILESTONES]

OR

[NOT APPLICABLE FOR THIS INTERIM ISA]

OR

[MILESTONE REQUIREMENTS WILL BE SPECIFIED IN THE FURTHER INTERCONNECTION SERVICE AGREEMENT DESCRIBED IN SECTION 7.0(a)]

- 7.0 (a) Transmission Provider and the Interconnected Transmission Owner agree to provide for the acquisition, design, construction and/or installation of the facilities identified, and to the extent described, in Section 3.0 of the Specifications in accordance with Part IV of the Tariff, as amended from time to time, and this Interim ISA. Except to the extent for which the Specifications provide for interim interconnection rights for the Interconnection Customer, the parties agree that (1) this Interim ISA shall not provide for or authorize Interconnection Service for the Interconnection Customer, and (2) Interconnection Service will commence only after Interconnection Customer has entered into a final Interconnection Service Agreement with Transmission Provider and the Interconnection Transmission Owner (or, alternatively, has exercised its right to initiate dispute resolution or to have the final Interconnection Service Agreement filed with the FERC unexecuted) after completion of the Facilities Study related to Interconnection Customer's Interconnection Request and otherwise in accordance with the Tariff. The final Interconnection Service Agreement may further provide for construction of, and payment for, transmission facilities additional to those identified in the attached Specifications. Should Interconnection Customer fail to enter into such final Interconnection Service Agreement (or, alternatively, to initiate dispute resolution or request that the agreement be filed with the FERC unexecuted) within the time prescribed by the Tariff, Transmission Provider shall have the right, upon providing written notice to Interconnection Customer, to terminate this Interim ISA.
- (b) In the event that Interconnection Customer decides not to interconnect its proposed facilities, as described in Section 1.0 of the Specifications to the Transmission System, it shall immediately give Transmission Provider written notice of its determination. Interconnection Customer shall be responsible for the Costs incurred pursuant to this Interim ISA by Transmission Provider and/or by the Interconnected Transmission Owner (1) on or before the date of such notice, and (2) after the date of such notice, if the costs could not reasonably be avoided despite, or were incurred by reason of, Interconnection Customer's determination not to interconnect. Interconnection Customer's liability under the preceding sentence shall include all Cancellation Costs in connection with the acquisition, design, construction and/or installation of the facilities described in section 3.0 of the Specifications. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. Within 60 days after the date of Interconnection Customer's notice, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (i) Interconnection Customer's cost responsibility under this Interim ISA and the Tariff for Costs, including Cancellation Costs, of the facilities described in section 3.0 of the Specifications and (ii) Interconnection Customer's previous payments under this Interim ISA. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.

This Interim ISA shall be deemed to be terminated upon completion of all payments required under this paragraph (b).

(c) Disposition of the facilities related to this Interim ISA after receipt of Interconnection Customer's notice of its determination not to interconnect shall be decided in accordance with Section 211.1 of the Tariff.

- 8.0 Interconnection Customer agrees to abide by all rules and procedures pertaining to generation in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating Agreement and the PJM Manuals.
- 9.0 In analyzing and preparing the Facilities Study or the System Impact Study if no Facilities Study is required, and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this Interim ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF NO FACILITIES STUDY IS REQUIRED OR OF THE ATTACHMENT FACILITIES, LOCAL UPGRADES AND/OR NETWORK UPGRADES, PROVIDED, HOWEVER, that Transmission Provider warrants that the transmission facilities described in Section 3.0 of the Specifications will be designed, constructed and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.0 Within 120 days after the Interconnected Transmission Owner completes acquisition, design, construction and/or installation of the facilities described in Section 3.0 of the Specifications, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under this Interim ISA and the Tariff for the actual cost of such equipment, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider and the Interconnected Transmission Owner hereunder. Notwithstanding the

foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.

- 11.0 No third party beneficiary rights are created under this Interim ISA, provided, however, that payment obligations imposed on Interconnection Customer hereunder are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner actually performing the services associated with the interconnection of the generating facilities and any associated upgrades of other facilities.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Interim ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 13.0 This Interim ISA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto.
- 14.0 This Interim ISA shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 15.0 This Interim ISA shall not be construed as an application for service under Part II or Part III of the Tariff.
- 16.0 Any notice or request made to or by either Party regarding this Interim ISA shall be made to the representative of the other Party as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA 19403-2497

Interconnection Customer

[CONTACT NAME/ADDRESS]

Interconnected Transmission Owner

[CONTACT NAME/ADDRESS]

- 17.0 All portions of the Tariff and the Operating Agreement pertinent to the subject of this Interim ISA are incorporated herein and made a part hereof.
- 18.0 This Interim ISA is entered into pursuant to Part IV of the Tariff.

19.0 Neither party shall be liable for consequential, incidental, special, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise with respect to any claim, controversy or dispute arising under this Interim ISA.

20.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 20.1, Schedule A to this Interim ISA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.

20.1 Tax Liability

20.1.1 Safe Harbor Provisions:

This Section 20.1.1 is applicable only to Generation Interconnection Customers. Provided that Interconnection Customer agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by Interconnection Customer to the Interconnected Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the Interconnected Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in Section 20.1.2 below, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Interconnection Customer under the Interim Interconnection Service Agreement, the Interconnection Service Agreement or the Interconnection Construction Service Agreement. Interconnection Customer shall document its agreement to conform to IRS requirements for such non-taxable status in the Interconnection Service Agreement, the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

20.1.2 Tax Indemnity:

Interconnection Customer shall indemnify the Interconnected Transmission Owner for any costs that Interconnected Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by Interconnection Customer to the Interconnected Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities and/or any Merchant Network Upgrades is taxable income to the Interconnected Transmission Owner. Interconnection Customer shall pay to the Interconnected Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the Interconnected Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the Interconnected Transmission Owner. In the event that the Interconnected Transmission Owner chooses to contest such assessment, either at the request of Interconnection Customer or on its

own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty assessed against it, the Interconnected Transmission Owner shall refund to Interconnection Customer the excess of its demand payment made to the Interconnected Transmission Owner over the amount of the tax, interest and penalty for which the Interconnected Transmission Owner is finally determined to be liable. Interconnection Customer's tax indemnification obligation under this section shall survive any termination of the Interim Interconnection Service Agreement or Interconnection Construction Service Agreement.

20.1.3 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, the Interconnected Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Interconnected Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Interim Interconnection Service Agreement or Part VI of the Tariff. Interconnection Customer shall pay to the Interconnected Transmission Owner on a periodic basis, as invoiced by the Interconnected Transmission Owner, the Interconnected Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and the Interconnected Transmission Owner shall cooperate in good faith with respect to any 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 Interconnection Customer to the Interconnected Transmission Owner for such contested 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, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Interconnected Transmission Owner.

20.1.4 Income Tax Gross-Up

20.1.4.1 Additional Security:

In the event that Interconnection Customer does not provide the safe harbor documentation required under Section 20.1.1 prior to execution of this Interim Interconnection Service Agreement, within 15 days after such execution, Transmission Provider shall notify Interconnection Customer in writing of the amount of additional Security that Interconnection Customer must provide. The amount of Security that a Transmission Interconnection Customer must provide initially pursuant to this Interim Interconnection Service Agreement shall include any amounts described as additional Security under this Section 20.1.4 regarding income tax gross-up.

20.1.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of

Local Upgrades and Network Upgrades for which Interconnection Customer previously provided Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the Interconnected Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer is responsible under the Interconnection Service Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the Interconnected Transmission Owner at the time the additional Security is received, determined using the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Interconnected Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

20.1.4.3 Time for Payment:

Interconnection Customer must provide the additional Security, in a form and with terms as required by Sections 212.4 of the Tariff, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the Interconnection Service Agreement pursuant to Section 212.5 of the Tariff.

20.1.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Interim Interconnection Service Agreement or the Tariff is intended to adversely affect any Interconnected Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

21.0 Addendum of Interconnection Requirement for a Wind Generation Facility. To the extent required, Schedule B to this Interim ISA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this Interim ISA.

22.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this Interim ISA to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

Interconnection Customer: [Name of Party]

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

Interconnected Transmission Owner: [Name of Party]

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

**SPECIFICATIONS FOR
INTERIM INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM INTERCONNECTION, L.L.C.**

And

And

(PJM Queue Position #____)

1.0 Description of Customer Facility to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility:

b. Location of Customer Facility:

c. Size in megawatts of Customer Facility:

{The following language should be included only for generating units

For Generation Interconnection Customer:

Maximum Facility Output of _____MW }

{The following language applies when a Generation Interconnection Request involves an increase of the capacity of an existing generating facility: The stated size of the generating unit includes an increase in the Maximum Facility Output of the generating unit of __ MW over Interconnection Customer's previous interconnection. This increase is a result of the Interconnection Request associated with this Interim Interconnection Service Agreement.}

{The following language should be included only for Merchant Transmission Facilities for Transmission Interconnection Customer:

Nominal Rated Capability: _____MW }

-
- 2.0 Interconnection Rights: Interconnection Customer shall obtain Capacity Interconnection Rights in accordance with Subpart C of Part VI of the Tariff at the location specified in section 1.0b upon its execution of the final Interconnection Service Agreement described in section 7.0(a) of this Interim ISA. **[if applicable, add: , provided, however, that pending execution of the final Interconnection Service Agreement, Interconnection Customer shall be entitled to the following interim rights:**

Pursuant to and subject to the applicable terms of the Tariff, Interconnection Customer shall have Capacity Interconnection Rights as a Capacity Resource at the Point of Interconnection specified in this Interim ISA in the amount of ___ MW, for the time period of _____ to _____. To the extent that the Customer Facility described in section 1.0 is not a Capacity Resource with Capacity Interconnection Rights, such Customer Facility shall be an Energy Resource. Pursuant to this Interim ISA, the Customer Facility will be permitted to inject ___ MW (nominal) into the system. PJM reserves the right to limit injections to this quantity in the event reliability would be affected by output greater than such quantity.]

- 3.0.A Facilities to be acquired, designed, constructed and/or installed by the Interconnected Transmission Owner under this Interim ISA:

- 3.0.B Facilities to be acquired, designed, constructed and/or installed by the Interconnection Customer under this Interim ISA:

- 4.0 Interconnection Customer shall be subject to the charges detailed below:

4.1 Attachment Facilities Charge:

4.2 Local Upgrades Charge:

4.3 Network Upgrades Charge:

4.4 Cost Breakdown:

\$	Direct Labor
\$	Direct Material
\$	Indirect Labor
\$	Indirect Material
\$	Total

SCHEDULES: {Note: Schedules A and B are required, others are optional; add if applicable and desirable for clarity.}

SCHEDULE A – INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

SCHEDULE B - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY

SCHEDULE __ - CUSTOMER FACILITY LOCATION/SITE PLAN

SCHEDULE __ - SINGLE-LINE DIAGRAM

SCHEDULE A

INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

{Include the appropriate language from the alternatives below:}

{Include the following language if not required:}
Not Required.

[OR]

{Include the following language if applicable to Interconnection Customer:}

As provided in Section 20.1 of this Interim ISA and subject to the requirements thereof, Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 88-129, 1988-2 C.B. 541, and as amplified and modified in Notices 90-60, 1990-2 C.B. 345, and 2001-82, 2001-2 C.B. 619 (the "IRS Notices"). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notices, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities and/or Merchant Network Upgrades specified in this Interim ISA.

Nothing in Interconnection Customer's agreement pursuant to this Schedule A shall change Interconnection Customer's indemnification obligations under Section 20.1 of this Interim ISA.

SCHEDULE B
INTERCONNECTION REQUIREMENTS FOR A
WIND GENERATION FACILITY

{Include the appropriate language from the alternatives below}

{Include the following language if the Customer Facility is not a wind generation facility}

Not Required

[OR]

{Include the following language when the Customer Facility is a wind generation facility}

Schedule B sets forth requirements and provisions specific to the interconnection of a wind generation facility that is greater than 20 MW. All other requirements pertaining to the interconnection of generation facilities above 20 MW set forth in Part IV of the Tariff continue to apply to wind generation facility interconnections.

A. Technical Standards Applicable to a Wind Generation Facility

i. Low Voltage Ride-Through (LVRT) Capability

A wind generation facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The Schedule B LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generation facilities subject to Commission Order No. 661 that have either: (i) Interconnection Service Agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generation turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generation facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum

clearing time the wind generation facility shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generation facility step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generation facility or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT standard.

Post-transition Period LVRT Standard

All wind generation facilities subject to Commission Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generation facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generation facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system. A wind generation facility shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generation facility or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The power factor requirements for wind generation facilities set forth in section 4.7.1 of Appendix 2 to Attachment O of the Tariff can be met by using, for example, power electronic devices designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind generation facility is in operation. Wind generation facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

iv. Meteorological Data Reporting Requirement

The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Wind speed (meters/second)
- Wind direction (degrees from True North)
- Atmospheric pressure (hectopascals)
- Forced outage data (wind turbine and MW unavailability)

The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

[SPECIFICY AGREED UPON METEOROLOGICAL AND FORCED OUTAGE DATA REQUIREMENTS]

OR

[NOT APPLICABLE FOR THIS INTERIM ISA]

ATTACHMENT P

**FORM OF
INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT**

**By and Among
PJM Interconnection, L.L.C.**

And

[Name of Interconnection Customer]

And

[Name of Interconnected Transmission Owner]

(PJM Queue Position #____)

- 1.0 Parties. This Interconnection Construction Service Agreement (“CSA”) including the Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”) and the following Interconnection Customer and Interconnected Transmission Owner:

Interconnection Customer:

[full name] [OPTIONAL: (also referred to as “[short name”))]_____

Interconnected Transmission Owner:

[full name] [OPTIONAL: (also referred to as “[short name”))]_____

All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the Tariff.

- 2.0 Authority. This CSA is entered into pursuant to Part VI of the Tariff. The standard terms and conditions for construction are attached at Appendix 2 to this CSA and are hereby specifically incorporated as provisions of this agreement. Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner agree to and assume all of their respective rights and obligations as set forth in the standard terms and conditions for construction in Appendix 2 to this CSA. Further, Interconnection Customer and the Interconnected Transmission Owner each agrees to and assumes all of the rights and obligations of a Constructing Entity with respect to the facilities that each of them is responsible for constructing, as set forth in this CSA.
- 3.0 Customer Facility. This CSA specifically relates to the following Customer Facility at the following location:

- a. Name of Customer Facility:

b. Location of Customer Facility:

4.0 Effective Date and Term.

4.1 Effective Date. This CSA shall become effective on the later of (i) the date the agreement has been executed by all Construction Parties, or (ii) the date of Interconnection Customer's delivery of Security to the Transmission Provider, provided, however, that if the CSA is filed with the FERC unexecuted, the Effective Date shall be the date specified by the FERC. The Interconnected Transmission Owner shall have no obligation to begin construction of the Transmission Owner Interconnection Facilities prior to the Effective Date. Construction shall commence as provided in the Schedule of Work set forth in Schedule J to this CSA.

4.2 Term. This CSA shall continue in full force and effect from the Effective Date until the termination thereof pursuant to Section 14 of Appendix 2 to this CSA.

4.3 Survival. This CSA shall continue in effect after termination to the extent necessary to provide for final billings and payments, including billings and payments pursuant to Section 9 and/or Section 14 of Appendix 2 to this CSA, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while the CSA was in effect.

5.0 Construction Responsibility for

a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.

b. Construction of Transmission Owner Interconnection Facilities.

1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)

_____Standard Option.

_____Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?

_____ Yes

_____ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

[include c. below only if applicable to a Merchant Transmission interconnection:]

- c. Construction of Merchant Network Upgrades.

1. The Merchant Network Upgrades regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule E to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Merchant Network Upgrades that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of Appendix 2 to this CSA.)

_____Standard Option.

_____Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Merchant Network Upgrades?

_____ Yes

_____ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Merchant Network Upgrades described on Schedule F attached to this CSA.

6.0 [Reserved].

7.0 Scope of Work. The Scope of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule I, provided, however, that the scope of work is subject to change in accordance with Transmission Provider's scope change process for interconnection projects as set forth in the PJM Manuals.

8.0 Schedule of Work. The Schedule of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule J, provided, however, that such schedule is subject to change in accordance with Section 3.3 of Appendix 2 to this CSA.

9.0 [Reserved.]

10.0 Notices. Any notice or request made to or by any party regarding this CSA shall be made in accordance with the standard terms and conditions for construction set forth in Appendix 2 to this CSA to the representatives of the other parties, as indicated below:

Transmission Provider:

PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA 19403-~~2497~~

Interconnection Customer:

Interconnected Transmission Owner:

11.0 Waiver. No waiver by any party of one or more defaults by another in performance of any of the provisions of this CSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

- 12.0 Amendment. This CSA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties.
- 13.0 Incorporation of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject of this CSA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.
- 14.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 2.4.1 of Appendix 2 to this CSA, Schedule L to this CSA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.
- 15.0 Addendum of Non-Standard Terms and Conditions for Construction Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in the attached Schedule M are hereby incorporated by reference, and made a part of, this CSA. In the event of any conflict between a provision of Schedule M that FERC has accepted and any provision of the standard terms and conditions set forth in Appendix 2 to this CSA that relates to the same subject matter, the pertinent provision of Schedule M shall control.
- 16.0 Addendum of Interconnection Requirements for a Wind Generation Facility. To the extent required, Schedule N to this CSA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this CSA.
- 17.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, the parties have caused this Interconnection Construction Service Agreement to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.:

By: _____
Name Title Date

Printed name of signer: _____

Interconnection Customer: [Name of Party]

By: _____
Name Title Date

Printed name of signer: _____

Interconnected Transmission Owner: [Name of Party]

By: _____
Name Title Date

Printed name of signer: _____

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD CONSTRUCTION TERMS AND CONDITIONS**

SCHEDULES:

- **SCHEDULE A - SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES**
- **SCHEDULE C - TRANSMISSION OWNER INTERCONNECTION**

FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER

- **SCHEDULE D - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE E - MERCHANT NETWORK UPGRADES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER**
- **SCHEDULE F - MERCHANT NETWORK UPGRADES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE G - CUSTOMER INTERCONNECTION FACILITIES**

- **SCHEDULE H - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE I - SCOPE OF WORK**
- **SCHEDULE J - SCHEDULE OF WORK**
- **SCHEDULE K - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE L - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE M - SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS**
- **SCHEDULE N - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

ATTACHMENT S

Form of Transmission Interconnection Feasibility Study Agreement

RECITALS

1. This Transmission Interconnection Feasibility Study Agreement, dated as of _____, is entered into, by and between _____ (“Interconnection Customer”) and PJM Interconnection, L.L.C. (“Transmission Provider”) pursuant to Part IV of the PJM Interconnection, L.L.C. Open Access Transmission Tariff (“PJM Tariff”). Capitalized terms used in this agreement, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Tariff.
2. Pursuant to Section 36.1 of the PJM Tariff, the Interconnection Customer has submitted an Interconnection Request and has paid the applicable initial deposit and the applicable non-refundable base deposit to the Transmission Provider, for a proposed interconnection of Merchant Transmission Facilities.
3. Interconnection Customer requests interconnection to the Transmission System of Merchant Transmission Facilities with the following specifications.
 - a. Location of proposed facilities:

 - b. Substation(s) where Interconnection Customer proposes to interconnect or add its facilities:

 - c. Proposed voltage and nominal capability of new facilities or increase in capability of existing facilities:

 - d. Description of proposed facilities and equipment:

 - e. Planned date the proposed facilities or increase in capability will be in service:

 - f. (1) Are these proposed Merchant Transmission Facilities?

___ Yes ___ No

(2) If Yes, will the proposed facilities be Merchant A.C. or Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities?

A.C. _____ or D.C. _____ or Controllable A.C. _____

- g. If the proposed facilities will be Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities, does Interconnection Customer elect to receive:

EITHER

_____ (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR).

OR

_____ (2) Incremental Deliverability Rights, Incremental Auction Revenue Rights and Incremental Available Transfer Capability Revenue Rights.

If Interconnection Customer elects (1) above, it must provide the following:

_____ Total project MW's to be evaluated as Firm (capacity) injection for TIR.

_____ Total project MW's to be evaluated as Non-firm (energy) injection for TIR.

_____ Total project MW's to be evaluated as Firm (capacity) withdrawal for TWR.

_____ Total project MW's to be evaluated a Non-firm (energy) withdrawal for TWR.

If Interconnection Customer elects (2) above, it must state the location on the Transmission System where it proposes to receive Incremental Deliverability Rights associated with Its proposed facilities:

- h. If the proposed facilities will be Controllable A.C. Merchant Transmission Facilities, as defined in Section 1.6B of the Tariff, and provided that Interconnection Customer contractually binds itself in the Interconnection Service Agreement ("ISA") related to its project always to operate its Controllable A.C. Merchant Transmission Facilities in a manner effectively the same as operation of

D.C. transmission facilities, the ISA will provide Interconnection Customer with the same types of transmission rights that are available under the Tariff for Merchant D.C. Transmission Facilities. For purposes of this Feasibility Study Agreement, Interconnection Customer represents that, should it execute an ISA for its project described herein, it will agree in the ISA to operate its facilities continuously in a controllable mode.

- i. If the proposed facilities will be Merchant A.C. Transmission Facilities without continuous controllability as described in paragraph h. above, please specify the location on the Transmission System where Interconnection Customer proposes to receive any Incremental Deliverability Rights associated with its proposed facilities:
- j. Other information:

PURPOSE OF THE FEASIBILITY STUDY

- 4. Consistent with Section 36.2 of the PJM Tariff, the Transmission Provider shall conduct a Transmission Interconnection Feasibility Study to provide the Interconnection Customer with preliminary determinations of: (i) the type and scope of the Attachment Facilities, Local Upgrades, Network Upgrades and/or Merchant Network Upgrades that will be necessary to accommodate the Interconnection Customer's Interconnection Request; (ii) the time that will be required to construct such facilities and upgrades; and (iii) the Interconnection Customer's cost responsibility for the necessary facilities and upgrades. In the event that the Transmission Provider is unable to complete the Transmission Interconnection Feasibility Study within 30 days of the Interconnection Customer's submission of its Interconnection Request and execution of this Transmission Interconnection Feasibility Study Agreement, the Transmission Provider shall notify the Interconnection Customer and explain the reasons for the delay.
- 5. The Transmission Interconnection Feasibility Study conducted hereunder will provide only preliminary non-final estimates of the cost and length of time required to accommodate the Interconnection Customer's Interconnection Request. More comprehensive estimates will be developed only upon execution of a System Impact Study Agreement and a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The Transmission Interconnection Feasibility Study necessarily will employ various assumptions regarding the Interconnection Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. The Transmission Interconnection Feasibility Study shall not obligate the Transmission Provider or the Transmission Owners to interconnect with the Interconnection Customer or construct any facilities or upgrades.

CONFIDENTIALITY

6. The Interconnection Customer agrees to provide all information requested by the Transmission Provider necessary to complete the Transmission Interconnection Feasibility Study. Subject to paragraph 7 of this Transmission Interconnection Feasibility Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 6 shall be and remain confidential.
7. Until completion of the Transmission Interconnection Feasibility Study, the Transmission Provider shall keep confidential all information provided to it by the Interconnection Customer. Upon completion of the Transmission interconnection Feasibility Study, the study will be listed on the Transmission Provider's OASIS and, to the extent required by Commission regulations, will be made publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential and will not be posted on the Transmission Provider's OASIS.
8. Interconnection Customer acknowledges that, consistent with Part IV and Part VI of the PJM Tariff, the Transmission Provider may contract with consultants, including the Transmission Owners, to provide services or expertise in the Transmission Interconnection Feasibility Study process and that the Transmission Provider may disseminate information to the Transmission Owners.

COST RESPONSIBILITY

9. The Interconnection Customer shall reimburse the Transmission Provider for the actual cost of the Transmission Interconnection Feasibility Study. The deposit paid by the Interconnection Customer pursuant to Section 36.1 of the PJM Tariff shall be applied toward the Interconnection Customer's Transmission Interconnection Feasibility Study cost responsibility. In the event that the Transmission Provider anticipates that the actual study costs will exceed the deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the study costs. Within 10 days of receiving such estimate, the Interconnection Customer may withdraw its Interconnection Request. Unless the Interconnection Request is withdrawn, the Interconnection Customer agrees to pay the actual additional costs of the Transmission Interconnection Feasibility Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

10. In analyzing and preparing the Transmission Interconnection Feasibility Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND

FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FEASIBILITY STUDY. The Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Transmission Interconnection Feasibility Study Agreement nor the Transmission Interconnection Feasibility Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the Interconnection Customer either at this point in time or in the future.

11. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Transmission Interconnection Feasibility Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this Transmission Interconnection Feasibility Study Agreement.

Without limitation of the foregoing, the Interconnection Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any Transmission Interconnection Feasibility Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

12. Any notice or request made to or by either party regarding this Transmission Interconnection Feasibility Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA -19403-2497

Interconnection Customer

13. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Transmission Interconnection Feasibility Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
14. This Transmission Interconnection Feasibility Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
15. This Transmission Interconnection Feasibility Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
16. Neither this Transmission Interconnection Feasibility Study Agreement nor the Transmission Interconnection Feasibility Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
17. The provisions of the PJM Tariff are incorporated herein and made a part hereof.
18. **Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Transmission Interconnection Feasibility Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Transmission Interconnection Feasibility Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
19. **No Third-Party Beneficiaries**
This Transmission Interconnection Feasibility Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
20. **Multiple Counterparts**
This Transmission Interconnection Feasibility Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
21. **No Partnership**
This Transmission Interconnection Feasibility Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

22. Severability

If any provision or portion of this Transmission Interconnection Feasibility Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Transmission Interconnection Feasibility Study Agreement shall remain in full force and effect.

23. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Transmission Interconnection Feasibility Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Transmission Interconnection Feasibility Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Transmission Interconnection Feasibility Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the Interconnection Customer have caused this Transmission Interconnection Feasibility Study Agreement to be executed by their respective authorized officials.

Transmission Provider

By: _____
Name Title Date

Interconnection Customer

By: _____
Name Title Date

ATTACHMENT V

FORM OF ITC AGREEMENT

1.0 This ITC Agreement, dated as of _____, is entered into, by and between PJM Interconnection, L.L.C. (“PJM”) and _____ (“Independent Transmission Company” or “ITC”).

2.0 ITC has, or shall have, prior to commencement of service as an ITC, ownership of, or functional control of, the transmission facilities for which it wishes to become the ITC (“ITC Transmission Facilities”). ITC desires to become an independent transmission company within the PJM region, in accordance with Attachment S to the PJM Open Access Transmission Tariff (“Tariff”).

3.0 This ITC Agreement is subject to and expressly incorporates by this reference the provisions of Attachment U to this Tariff, as it may be modified from time to time, which sets forth the standard division of responsibilities, and associated terms and conditions, for any ITC that operates in the PJM region.

4.0 Any responsibility or function of PJM not expressly assigned or transferred herein to ITC shall remain with PJM. Any responsibility or function of ITC under any agreement between ITC and any owner of transmission facilities not expressly assigned or transferred herein to PJM shall remain with ITC. Capitalized terms used herein that are not otherwise defined herein shall have the meaning given to such term in the Tariff.

5.0 PJM and ITC agree to assume, with respect to the ITC Transmission Facilities, the respective rights and responsibilities set forth in Attachment U to the Tariff.

6.0 The ITC Transmission Facilities that are the subject of this agreement are specifically identified in Schedule 1 to this ITC Agreement.

6.1 In the event ITC acquires or otherwise operates transmission facilities not identified in Schedule 1 to this Agreement that are outside the PJM region, such facilities shall not be deemed ITC Transmission Facilities unless ITC so chooses to designate or assign such facilities, subject to PJM’s agreement and FERC’s approval. If ITC acquires or otherwise operates transmission facilities not identified in Schedule 1 of this Agreement that are within the PJM region, such facilities shall be deemed ITC Transmission Facilities.

7.0 Following ITC’s satisfaction of the prerequisites specified in Attachment S, including FERC approvals, the ITC shall assume the rights and responsibilities described herein on the first day of the calendar month (“ITC Commencement Date”) following the date on which the ITC provides written certification to Transmission Provider that the ITC has in place the capability, including, without limitation, the approvals, licenses, assignments, trained and qualified personnel, systems, and facilities necessary to undertake its responsibilities hereunder. PJM shall coordinate with the ITC prior to the ITC Commencement Date to ensure that PJM is

capable as of the ITC Commencement Date of providing the responsibilities reserved to PJM hereunder as to the ITC Transmission Facilities and related bulk power facilities.

8.0 This Agreement shall remain in effect until the effective date of ITC's withdrawal from this Agreement. ITC may withdraw from this Agreement upon ninety (90) days advance written notice to PJM, provided that such withdrawal shall not be effective until ITC with respect to the ITC Transmission Facilities has (1) satisfied all applicable NERC and Applicable Regional Entity requirements for operating a control area or being included within an existing control area; (2) put in place alternative arrangements for satisfaction of FERC's requirements with respect to comparable transmission services and, if required, participation in an RTO or Independent Transmission Provider; (3) transferred all of its functions and obligations as an ITC to one or more other entities to the satisfaction of FERC, and (4) received FERC approval or acceptance without suspension or hearing.

8.1 If ITC withdraws, it shall remain liable for any and all obligations incurred hereunder by ITC prior to the effective date of ITC's withdrawal.

8.2 If ITC becomes aware of any event that will cause ITC to relinquish functional control of any ITC Transmission Facilities, ITC shall notify PJM in writing as soon as practicable after becoming aware of such event.

9.0 This Agreement shall not be interpreted or construed to create any association, joint venture, or partnership between or among PJM and ITC or to impose any partnership obligation liability upon any either 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.

10.0 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.

11.0 This ITC Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns permitted herein, but shall not be assigned except to a successor in the operation of a party's Transmission Facilities by reason of a merger, consolidation, reorganization, sale, spin-off, or foreclosure, as a result of which substantially all such Transmission Facilities are acquired by such a successor, and such successor expressly is made a party to this Agreement, provided that any successor to either party shall procure all necessary regulatory approvals to exercise its rights and responsibilities in accordance with this Agreement.

12.0 This Agreement shall be interpreted, construed and governed by the laws of the state of Delaware.

13.0 Whether expressly so stated or not, 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 by hand or overnight courier:

For all Notices:

~~With a copy to:~~

PJM Interconnection, L.L.C.	PJM Interconnection, L.L.C.
955 Jefferson Avenue	955 Jefferson Avenue
2750 Monroe Blvd.	2750 Monroe Blvd.
Valley Forge Corporate Center	Valley Forge Corporate Center
Norristown Audubon, PA -19403-2497	Norristown, PA -19403-2497
Attn: Phillip Harris	Attn: Richard Wodyka
President	Chief Operating Officer

ITC

ITC represents and warrants to PJM that ITC has obtained, and at all times shall retain ownership of, or the authority to direct the operation of, the ITC Transmission Facilities; provided, however, that if a transmission owner participating in the ITC withdraws from the ITC, the description of the ITC Transmission Facilities in Schedule 1 shall be revised accordingly.

IN WITNESS WHEREOF, PJM and ITC have caused this ITC Agreement to be executed by their duly authorized representatives.

[signature blocks]

ATTACHMENT FF
Form of
Initial Study Agreement

Company name:

OASIS Request	Start	Stop	Amount	Path	Date & Time of Request

PURPOSE

An Initial Study is used to determine whether or not the Transmission System is adequate to accommodate all or part of a request for long-term firm transmission service under both Part II (POINT-TO-POINT TRANSMISSION SERVICE) or Part III (NETWORK INTEGRATION TRANSMISSION SERVICE) of the PJM Open Access Transmission Tariff (the “Tariff”) (together referred to as “long-term firm transmission service”). The FERC comparability standard is applied in evaluating the impact of all requests.

SCOPE OF WORK

The Initial Study will determine if the PJM network has sufficient capability to grant the transmission service.

The Initial Study is required for all long-term firm transmission service requests. The Initial Study indicates whether or not the request for service can be granted based on expected system conditions and topology. Pursuant to Section 19.3 or Section 32.2 of the Tariff, upon completion of the Initial Study, PJM will notify the transmission customer that (a) the transmission service request is accepted, or (b) additional analysis is required. Pursuant to Part VI of the Tariff, additional analysis will only commence if the customer elects to continue to the System Impact Study within 30 days of notification.

General

Initial Studies are performed on transmission service requests in the order in which they are received. Multiple requests for overlapping periods and similar paths are evaluated until a limit is reached. Transmission service requests are held in “Study” status until requests received earlier have been confirmed or withdrawn. If the study demonstrates that the requested service can be accepted, the status of the request is changed to “Accepted” on the PJM OASIS. As soon as possible after notification of acceptance, the Transmission Customer should “Confirm” the transmission request. If accepted service is not confirmed within 15 days, the request is deemed “Withdrawn,” and other requests waiting in the queue can then be studied.

Available Transmission Capability (ATC)

ATC indicates the transfer capability that is expected to be available on the transmission system during a given period. An initial screening of ATC is required for all firm transmission service requests. This screening is used to evaluate the impact of the requested service on the transmission contingencies that limit available transfer capability. The screening is based on the latest available information regarding existing firm service.

Network Analysis and Deliverability Test

In addition to ATC screening, PJM evaluates requests for long-term firm transmission service using deliverability tests commensurate with the testing employed for evaluating generation interconnection requests. The energy from generating facilities or the energy delivered using long-term firm transmission service that is ultimately committed to meet resource requirements must be deliverable to where it is needed in the event of a system emergency. Therefore, there must be sufficient transmission network transfer capability within the control area. PJM determines the sufficiency of network transfer capability through a series of “deliverability tests.” All generator interconnections and long-term firm transmission service in PJM are subjected to the same deliverability tests. The FERC comparability standard is applied in evaluating the impact of all requests.

Rollover Rights

Pursuant to section 2.2 of the PJM Tariff, : Existing firm service customers of any Transmission Owner (wholesale requirements and transmission-only, with a contract term of five-years or more), may request rollover/reservation priority rights at the end of the term of the service. However, rollover rights may be limited in some cases. For instance, if the System Impact Study identifies limits caused by reliability problems (unless Direct Assignment Facilities or Network Upgrades are constructed to provide the requested service), the Transmission Customer will be notified of the limitation. The Service Agreement will include language which will reserve to PJM the right to limit rollovers in such circumstances. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Transmission Service unless the Direct Assignment Facilities and/or Network Upgrades identified in the System Impact Study and/or Facilities Studies are completed pursuant to Part VI.

Reliability problems which may be identified by the System Impact Study and which may require additional Direct Assignment Facilities or Network Upgrades to provide the requested service include the following:

Limiting rollover rights for ATC.

If there is not enough ATC to accommodate rollover rights beyond the initial term PJM may explicitly state in the transmission service agreement that rollover rights for the requested service will be limited.

Limiting rollover rights for earlier queued transmission or generation interconnections.

As a part of the Initial Study, the request is tested to verify that the service can co-exist with generators whose interconnection request predates the transmission service request. If the transmission service can not co-exist with a planned generator whose interconnection request predates the transmission service request, and the original transmission service request does not conflict with the generator in service date, the request will be approved. However, the transmission customer will be notified that the service has limited rollover rights. If the customer requests to renew the transmission service, another Initial Study may be required.

Estimated Elapsed Time and Cost to Complete the Initial Study

The Initial Study analysis to determine if the request can be accommodated will take approximately 10 man-days of effort. The study is estimated to take approximately 14 calendar days to complete but may take as long as 60 days to complete. The cost to complete the Initial Study is estimated at \$_____.

**ADDITIONAL TERMS AND CONDITIONS
INITIAL STUDY AGREEMENT
FOR LONG-TERM FIRM TRANSMISSION SERVICE REQUESTS**

- 1.0 This Agreement for an Initial Study for Long-Term Firm Transmission Service Requests (“Initial Study Agreement”) is entered into, by and between PJM Interconnection, L.L.C. (“PJM”) and _____ (“Customer”).
- 2.0 PJM has determined that the Transmission Customer has completed the Application for Firm Point-To-Point Transmission Service or Network Service under the PJM Open Access Transmission Tariff (“Tariff”) and has provided an Application deposit in accordance with the provisions of the Tariff. The Tariff is accessible through the PJM OASIS.
- 3.0 PJM has determined that an Initial Study for Transmission Service needs to be conducted to evaluate the request.
- 4.0 PJM will conduct the Initial Study in accordance with the procedures described in the PJM Manual for Transmission Service Request, which is accessible through the PJM OASIS, the Tariff and this Initial Study Agreement.
- 5.0 This Initial Study Agreement indicates the Scope of the Work required to evaluate the request and provides an estimated cost and schedule for completing the subject Initial Study for Transmission Service. The Customer shall be responsible for actual charges associated with the Initial Study.

- 6.0 Any notice or request made to or by either PJM or the Transmission Customer, regarding this Initial Study Agreement shall be made to the representatives listed below.
- 7.0 This Initial Study Agreement **must be executed** by the Transmission Customer **and returned to PJM within (fifteen) 15 days** of the Date stated below, or this Agreement will be void.
- 8.0 In accordance with Part II, (POINT-TO-POINT TRANSMISSION SERVICE), Section 19 (Initial Study Procedures for Long-Term Firm Point-to-Point Transmission Service Requests) Section 19.1 (Notice of Need for Initial Study) and Part III, (NETWORK INTEGRATION TRANSMISSION SERVICE), Section 32 (Initial Study Procedures for Network Integration Transmission Service Requests), and Section 32.1 (Notice of Need for Initial Study) of the Tariff, the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Initial Study.

In some cases, the requested service cannot be granted upon completion of the Initial Study. If the Customer has withdrawn its New Service Request or has not requested completion of a System Impact Study within 30 days of completion of the Initial Study, its New Service Request will be deemed to be withdrawn and terminated.

Transmission Provider

Transmission Customer

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~ 2750 Monroe Blvd. —

~~Valley Forge Corporate Center~~ —

~~Norristown~~ Audubon, PA ~~-19403-2497~~ —

Agent: _____ Agent: _____

Date: _____ Date: _____

ATTACHMENT GG

**FORM OF
UPGRADE CONSTRUCTION SERVICE AGREEMENT**

**By and Among
PJM Interconnection, L.L.C.,**

**_____ [New Service Customer (other than an Interconnection
Customer whose project includes generation capability or Merchant Transmission
Facilities other than Merchant Network Upgrades)],
_____ [Transmission Owner]**

(PJM Queue Position #____)

This Upgrade Construction Service Agreement, including the Appendices attached hereto and incorporated herein (collectively, "Upgrade CSA") is made and entered into as of the Effective Date (as defined in the attached Appendix III) by and among PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM"), _____ ("New Service Customer" [OPTIONAL: or "[short name]"]) and _____ ("Transmission Owner" [OPTIONAL: or "[short name]"]). Transmission Provider, New Service Customer and Transmission Owner are referred to herein individually as "Party" and collectively as "the Parties."

WITNESSETH

WHEREAS, New Service Customer has requested (1) Long-Term Firm Point-To-Point Transmission Service or Network Integration Transmission Service ("Transmission Service") from Transmission Provider pursuant to Transmission Provider's Open Access Transmission Tariff, designated as FERC Electric Tariff, Sixth Revised Volume No. 1 (the "PJM Tariff"); or (2) Incremental Auction Revenue Rights pursuant to Section 7.8 of Schedule 1 of the Operating Agreement of PJM Interconnection L.L.C. ("Operating Agreement") and Part VI of the PJM Tariff; or (3) installation of one or more Merchant Network Upgrades pursuant to Part IV and Part VI of the PJM Tariff;

WHEREAS, pursuant to New Service Customer's Completed Application, Upgrade Request Form or Interconnection Request proposing Merchant Network Upgrades only and in accordance with the PJM Tariff, Transmission Provider has conducted the required studies to determine whether such requests can be accommodated, and if so, under what terms and conditions, including the identification of any Direct Assignment Facilities or Customer-Funded Upgrades that must be constructed in order to provide the service or rights requested by New Service Customer;

WHEREAS, Transmission Provider's studies have identified the Direct Assignment Facilities and/or Customer-Funded Upgrades described in Appendix I of this Upgrade CSA as necessary to provide New Service Customer the service or rights it has requested; and

WHEREAS, New Service Customer: (i) desires that Transmission Owner construct the required Direct Assignment Facilities and/or Customer-Funded Upgrades; and (ii) agrees to assume cost responsibility for the design, engineering, procurement and construction of such Direct Assignment Facilities or Customer-Funded Upgrades in accordance with the PJM Tariff.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, together with other good and valuable consideration, the receipt and sufficiency is hereby mutually acknowledged by each Party, the Parties mutually covenant and agree as follows:

Article 1 – Definitions And Other Documents

1.0 Defined Terms.

All capitalized terms used in this Upgrade CSA shall have the meanings ascribed to them in Part I of the PJM Tariff or in definitions either in the body of this Upgrade CSA or its attached appendices. In the event of any conflict between defined terms set forth in the PJM Tariff or defined terms in this Upgrade CSA, such conflict will be resolved in favor of the terms as defined in this Upgrade CSA. Any provision of the PJM Tariff relating to this Upgrade CSA that uses any such defined term shall be construed using the definition given to such defined term in this Upgrade CSA.

1.1 Incorporation of Other Documents.

Subject to the provisions of Section 1.0 above, all portions of the PJM Tariff and the Operating Agreement as of the date of this Upgrade CSA, and as pertinent to the subject of this Upgrade CSA, are hereby incorporated herein and made a part hereof.

Article 2 – Responsibility For Direct Assignment Facilities or Customer-Funded Upgrades

2.0 New Service Customer Financial Responsibilities.

New Service Customer shall pay all Costs for the design, engineering, procurement and construction of the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA. An estimate of such Costs is provided in Appendix I to this Upgrade CSA.

2.1 Obligation to Provide Security.

New Service Customer shall provide Security to collateralize New Service Customer's obligation to pay the Costs incurred by Transmission Owner to construct the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA, less any Costs already paid by New Service Customer, in accordance with Sections 16.1, 213.1, and 213.4 of the PJM Tariff. Unless deferred under Section 213.4(c) of the PJM Tariff, New Service Customer shall deliver such Security to Transmission Provider prior to the Effective Date of this Upgrade CSA, as described in Appendix III. Unless otherwise specified by the Transmission

Provider, such Security shall take the form of a letter of credit, in the amount of \$_____ naming the Transmission Provider and Transmission Owner as beneficiaries.

[Include the following if New Service Customer requests deferral of the Security as provided for in Section 213.4(c) of the PJM Tariff:

For any portion of the Security that may be deferred in accordance with Section 213.4(c) of the PJM Tariff, and as requested by New Service Customer, New Service Customer shall provide the Security specified in this Section 2.1 within 120 days after the New Service Customer executes the Upgrade CSA, provided that New Service Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.]

2.2 Failure to Provide Security.

If the New Service Customer fails to provide Security in the amount, in the time or in the form required by Section 2.1, then this Upgrade CSA shall terminate immediately and the New Service Customer's Completed Application, Transmission Interconnection Request, or Upgrade Request, as applicable, shall be deemed terminated and withdrawn.

2.3 Costs.

In accordance with Sections 16.1 and 213.1 of the PJM Tariff, the New Service Customer shall pay for the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA based upon the Costs of the Direct Assignment Facilities or Customer-Funded Upgrades described in Appendix I. The New Service Customer's obligation to pay the Costs for the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA, whether greater or lesser than the amount of the Security specified in Section 2.1, will continue regardless of whether the New Service Customer takes Transmission Service pursuant to the terms of the Transmission Service Agreement as defined in Section 3.0 of this Upgrade CSA, if applicable.

2.4 Transmission Owner Responsibilities.

If the New Service Customer satisfies all requirements of this Article 2 and applicable requirements set forth in the PJM Tariff, Transmission Owner shall use Reasonable Efforts to construct or cause to be constructed the Direct Assignment Facilities and/or Customer-Funded Upgrades, identified in Appendix I to this Upgrade CSA, on its transmission system. Transmission Owner shall own the Direct Assignment Facilities and/or Customer-Funded Upgrades it has, or has arranged to have, constructed and shall have ongoing responsibility to maintain such Direct Assignment Facilities and/or Customer-Funded Upgrades consistent with the Operating Agreement and the Transmission Owner's Agreement.

Article 3 – Rights To Transmission Service

3.0 No Transmission Service.

This Upgrade CSA does not entitle the New Service Customer to take Transmission Service under the PJM Tariff. Transmission Provider shall provide Transmission Service to New Service Customer pursuant to a separate service agreement by and between New Service Customer and Transmission Provider dated as of the same effective date as this Upgrade CSA (the “Transmission Service Agreement”), if applicable.

Article 4 – Early Termination

4.0 Termination by New Service Customer.

Subject to the terms of Section 14 of Appendix III, New Service Customer may terminate this Upgrade CSA at any time by providing written notice of termination to Transmission Provider and Transmission Owner. New Service Customer’s notice of termination shall become effective sixty (60) calendar days after either the Transmission Provider or Transmission Owner receives such notice.

Article 5 – Rights

5.0 Rights.

Transmission Provider shall make available to New Service Customer the rights attributable to the Network Upgrades, Local Upgrades, or Merchant Network Upgrades identified in Appendix I to this Upgrade CSA. The rights, allocation and assignment procedures, duration and all other terms and procedures set forth in Subpart C of Part VI of the PJM Tariff and applicable PJM Manuals referenced therein regarding a New Service Customer assuming responsibility for Network Upgrades, Local Upgrades, or Merchant Network Upgrades to accommodate a New Service Request shall apply under this Agreement for the benefit of New Service Customer.

5.1 Amount of Rights Granted.

New Service Customer shall receive the following rights, subject to Section 5.2 below and the applicable terms of the PJM Tariff:

Incremental Auction Revenue Rights. Pursuant to Section 231 of the PJM Tariff, New Service Customer shall have Incremental Auction Revenue Rights in the following quantities between the indicated source(s) and sink(s):

Incremental Available Transfer Capability Revenue Rights. Pursuant to Section 233 of the PJM Tariff, New Service Customer shall have Incremental Available Transfer Capability Revenue Rights at _____ in the following quantities:
_____.

Incremental Capacity Transfer Rights. Pursuant to Section 234 of the PJM Tariff, New Service Customer shall have Incremental Capacity Transfer Rights in the following quantities into the indicated Locational Deliverability Area:

Incremental Deliverability Rights. Pursuant to Section 235 of the PJM Tariff, New Service Customer shall have Incremental Deliverability Rights at _____ in the following quantities: _____.

5.2 Availability of Rights Granted.

New Service Customer's rights as described in Section 5.1 shall become effective upon the completion of (i) the Network Upgrades, Local Upgrades, or Merchant Network Upgrades identified in this Upgrade CSA, and, if applicable, (ii) the transmission upgrade projects noted as contingencies in Appendix I of this Upgrade CSA.

5.3 Credits.

New Service Customer will not be eligible for any credits against transmission service rates under the PJM Tariff for the value of the Network Upgrades, Local Upgrades, or Merchant Network Upgrades for which it will pay under this Agreement, as described in Section 5.1.

Article 6 – Miscellaneous

6.0 Notices.

Any notice or request made to or by any Party regarding this Upgrade CSA shall be made to the Parties, as indicated below:

Transmission Provider:

PJM Interconnection, L.L.C.
~~955 Jefferson Avenue~~ 2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~ Audubon, PA 19403-2497

New Service Customer:

Transmission Owner:

6.1 Waiver.

No waiver by any Party of one or more Defaults by another in performance of any of the provisions of this Upgrade CSA shall operate or be construed as a waiver of any other or further Default or Defaults, whether of a like or different character.

6.2 Amendment.

This Upgrade CSA or any part thereof, may not be amended, modified or waived other than by a writing signed by all Parties.

6.3 No Partnership.

Notwithstanding any provision of this Upgrade CSA, the Parties do not intend to create hereby any joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit.

6.4 Counterparts.

This Upgrade CSA may be executed in multiple counterparts to be construed as one effective as of the Effective Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Upgrade CSA to be executed by their respective authorized officials.

(PJM Queue Position #_____)

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed name of signer: _____

New Service Customer: [Name of New Service Customer]

By: _____
Name Title Date

Printed name of signer: _____

Transmission Owner: [Name of Transmission Owner]

By: _____
Name Title Date

Printed name of signer: _____

Section(s) of the
PJM Operating Agreement
(Marked / Redline Format)

2.3 Place of Business.

The location of the principal place of business of the LLC shall be ~~955 Jefferson Avenue~~2750 Monroe Blvd., ~~Valley Forge Corporate Center, Norristown~~Audubon, Pennsylvania- 19403-~~2497~~.

The LLC may also have offices at such other places both within and without the State of Delaware as the PJM Board may from time to time determine or the business of the LLC may require.

**SCHEDULE 10 -
FORM OF NON-DISCLOSURE AGREEMENT**

THIS NON-DISCLOSURE AGREEMENT (the “Agreement”) is made this ____ day of _____, 20__, by and between _____, an Authorized Person, as defined below, and PJM Interconnection, L.L.C., a Delaware limited liability company, with offices at ~~955 Jefferson Avenue~~2750 Monroe Blvd., Valley Forge Corporate Center, Norristown~~Audubon,~~ PA 190403 (“PJM”). The Authorized Person and PJM shall be referred to herein individually as a “Party,” or collectively as the “Parties.”

RECITALS

Whereas, PJM serves as the Regional Transmission Organization with reliability and/or functional control responsibilities over transmission systems involving fourteen states including the District of Columbia, and operates and oversees wholesale markets for electricity pursuant to the requirements of the PJM Tariff and the Operating Agreement, as defined below; and

Whereas, the PJM Market Monitor serves as the monitor for PJM’s wholesale markets for electricity, and

Whereas, the Operating Agreement requires that PJM and the PJM Market Monitor maintain the confidentiality of Confidential Information; and

Whereas, the Operating Agreement requires PJM and the PJM Market Monitor to disclose Confidential Information to Authorized Persons upon satisfaction of conditions stated in the Operating Agreement, which may include, but are not limited to, the execution of this Agreement by the Authorized Person and the maintenance of the confidentiality of such information pursuant to the terms of this Agreement; and

Whereas, PJM desires to provide Authorized Persons with the broadest possible access to Confidential Information, consistent with PJM’s and the PJM Market Monitor’s obligations and duties under the PJM Operating Agreement, the PJM Tariff and other applicable FERC directives; and

Whereas, this Agreement is a statement of the conditions and requirements, consistent with the requirements of the Operating Agreement, whereby PJM or the PJM Market Monitor may provide Confidential Information to the Authorized Person.

NOW, THEREFORE, intending to be legally bound, the Parties hereby agree as follows:

5. Notices.

All notices required pursuant to the terms of this Agreement shall be in writing, and served upon the following individuals in person, or at the following addresses or email addresses:

If to the Authorized Person:

(email address)

with a copy to

(email address)

If to PJM:

General Counsel
~~955 Jefferson Avenue~~2750 Monroe Blvd.
~~Valley Forge Corporate Center~~
~~Norristown~~Audubon, PA 19403
~~duane~~Vincent.Duane@pjm.com

If to the PJM Market Monitor:

Monitoring Analytics, LLC
[address and contact information]

1.5

Any and all costs associated with the imposition of NERC Reliability Standards penalties that may be assessed against PJM either directly by NERC or allocated by a Member or Members under this Schedule shall be (i) paid by PJM notwithstanding the limitation of liability provisions in ~~Section~~schedule 16 of the Operating Agreement; and (ii) recovered as set forth in Schedule 9 of the PJM Tariff, or as otherwise approved by the FERC.

Attachment C

Revisions to the PJM Open Access Transmission Tariff and PJM Operating Agreement

(Clean Format)

Section(s) of the
PJM Open Access Transmission Tariff
(Clean Format)

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: PJM Interconnection, L.L.C., 2750 Monroe Blvd., Audubon, PA 19403, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to the expedited procedures set forth in Section 17.8. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the Queue Position of the Completed Application.

EXHIBIT A TO SCHEDULE 14

Form of Service Agreement for Transmission Service over the Neptune Line

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the "Transmission Provider"), as administrator of Transmission Service over the Neptune Line, and _____ ("Neptune Transmission Customer").

2.0 The Neptune Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Neptune Reservation under the Tariff.

3.0 If required, the Neptune Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Neptune Transmission Customer agrees to take and pay for the Neptune Reservation in accordance with the provisions of Schedule 14 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Neptune Transmission Customer

7.0 The Tariff, including Schedule 14, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Neptune Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Neptune Transmission Customer) and that
_____ (Neptune Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Neptune Line

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: Raritan River (Sayreville) Substation in Sayreville, New Jersey

Delivering Party: _____

4.0 Point of Delivery: Newbridge Road Substation in Long Island, New York

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 14).

7.1 Neptune Reservation Charge: _____

7.2 Neptune Service Administration Charges: _____

EXHIBIT A TO SCHEDULE 16

Form of Service Agreement for Transmission Service over the Linden VFT Facility

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”), as administrator of Transmission Service on the Linden VFT Facility, and _____ (“Linden VFT Transmission Customer”).

2.0 The Linden VFT Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Linden VFT Reservation under the Tariff.

3.0 If required, the Linden VFT Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Linden VFT Transmission Customer agrees to take and pay for the Linden VFT Reservation in accordance with the provisions of Schedule 16 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403
<u>Linden VFT Transmission Customer</u>

7.0 The Tariff, including Schedule 16, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Linden VFT Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Linden VFT Transmission Customer) and that
_____ (Linden VFT Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Linden VFT Facility

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: VFT Switching Station in Linden, New Jersey

Delivering Party: _____

4.0 Point of Delivery: NYISO (at the Linden Cogen 345 kV ring bus in Linden, New Jersey)

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 16).

7.1 Linden VFT Reservation Charge:

7.2 Linden VFT Service Administration Charges:

7.3 Linden VFT Transmission Enhancement Charges:

SCHEDULE 16-A

Transmission Service for Imports on the Linden VFT Facility

Pursuant to Section 38 of the Tariff, this Schedule provides the terms and conditions of transmission service for imports on the Linden VFT Facility which is a Merchant Transmission Facility under the Tariff and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

1. Definitions

Capitalized terms used and defined in this Schedule 16-A shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 16-A but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 16-A that are not defined in it or elsewhere in this Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in PJM, including, but not limited to the Operating Agreement.

1.1 Linden VFT Reservation: For purposes of this Schedule 16-A, a right, denoted in whole megawatts and for a specified period, to request the injection of energy and capacity into the Transmission System at the Point of Interconnection and submit schedules for transmission service utilizing the Linden VFT Facility on a firm or non-firm basis as set forth in this Schedule 16-A.

1.1.1 Firm Linden VFT Reservation: A Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule capacity and energy on a firm basis from the Linden VFT Point of Receipt to the Linden VFT Point of Delivery.

1.1.2 Non-Firm Linden VFT Reservation: A Non-Firm Linden VFT Reservation allows a Linden VFT Transmission Customer to schedule energy on a non-firm, as available, basis from the Linden VFT Point of Receipt to the Linden VFT Point of Delivery.

1.2 Linden VFT Transmission Customer: An entity that (i) is an Eligible Customer (or its Designated Agent) that meets the creditworthiness requirements of the Transmission Provider set forth in Attachment Q to this Tariff and is in good-standing with respect to all payments owed under the Tariff and Operating Agreement; (ii) executes a Linden VFT Service Agreement, the form of which is attached as Exhibit A to this Schedule 16-A; (iii) holds a Linden VFT Reservation, and, in the case of a re-sale of a Linden VFT Reservation, (iv) has the applicable Attachment A-1 completed and signed by all parties.

1.3 Linden VFT Facility: The Linden VFT Facility is a controllable alternating current Merchant Transmission Facility located in Linden, New Jersey, which was the subject of Commission orders in FERC Docket No. ER07-543 et al. regarding operation of these transmission facilities as a merchant transmission facility and as more particularly described in the Interconnection Service Agreement among PJM Interconnection, L.L.C. and Linden VFT,

LLC and Public Service Electric and Gas Company, which was accepted for filing by the Commission in FERC Docket No. ER06-649.

1.4 Linden VFT Schedule: The schedule for the transmission of capacity and energy on the Linden VFT Facility pursuant to the terms and conditions of service set forth in this Schedule 16-A.

1.4A Linden VFT Service: Transmission service provided pursuant to the terms and conditions of service set forth in this Schedule 16-A.

1.5 Linden VFT Transmission Owner: Linden VFT, LLC, its agents, successors or assigns.

1.6 Primary Rights Holder(s): Entities that have been allocated rights to the use of the transmission capability of the Linden VFT Facility and assigned Firm and Non-Firm Transmission Injection Rights by the Linden VFT Transmission Owner in accordance with Section 2.1. To the extent any portion of the total transmission capability of the Linden VFT Facility has not been assigned pursuant to Section 2.1 the Linden VFT Transmission Owner shall be the Primary Rights Holder of such capacity for purposes of this Schedule 16-A until such capacity is allocated to another entity.

1.7 Point of Interconnection: The Point of Interconnection is as defined in Section 11.1 of the Interconnection Service Agreement among PJM Interconnection, L.L.C. and East Coast Power, L.L.C., which was assigned to Linden VFT, LLC effective December 21, 2006, and is the Linden VFT Point of Delivery.

1.8 Linden VFT Service Agreement: An initial agreement and any amendments or supplements thereto entered into by a Linden VFT Transmission Customer and the Transmission Provider for transmission service on the Linden VFT Facility under this Schedule 16-A, the form of which is included as Exhibit A to this Schedule 16-A.

1.9 Linden VFT Point of Delivery: For purposes of this Schedule 16-A, the point of delivery is the Point of Interconnection with the 230 kV transmission line connecting Public Service Electric and Gas Company's Warinanco substation with the Tosco substation near Linden, New Jersey.

1.10 Linden VFT Point of Receipt: For purposes of this Schedule 16-A, the point of receipt is the point of connection with transmission facilities at the 345 kV Linden Cogen ring bus, which is the point for the interchange of capacity and energy between PJM and NYISO.

2. Allocation of Available Transmission Capability on the Linden VFT Facility

2.1 Commission Approved Allocation Process: The Linden VFT Transmission Owner shall allocate the total transmission capability on the Linden VFT Facility pursuant to an allocation process approved by the Commission under FERC Docket No. ER07-543-000 as such allocation process may be amended by the Linden Transmission Owner from time-to-time

subject to Commission approval provided that the results of such rights allocation process shall be furnished to the Transmission Provider and posted on the OASIS. The allocation of rights to Primary Rights Holders for the transmission capability of the Linden VFT Facility shall include the allocation of the Firm and Non-Firm Transmission Injection Rights, as applicable, which have been assigned to the Linden VFT Transmission Owner pursuant to Section 232 of this Tariff as well as the award of Firm and Non-Firm Linden VFT Reservations. The allocation of such rights shall be in the megawatt quantity and for the period specified for allocation to parties pursuant to the Linden VFT Transmission Owner's Commission-approved allocation process and as submitted to the Transmission Provider for posting on the OASIS. In the event that there has been no allocation of Firm or Non-Firm Transmission Injection Rights to a Primary Rights Holder, the Linden VFT Transmission Owner is the holder of such unallocated Firm or Non-Firm Transmission Injection Rights.

2.2 Charges for Allocation of Rights by Linden VFT Transmission Owner to Primary Rights Holder: The charges applicable to the allocation of rights to a Primary Rights Holder pursuant to this section shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder in accordance with the process approved by the Commission under FERC Docket No. ER07-543-000, as amended by the Linden VFT Transmission Owner from time-to-time subject to Commission approval. The charge for the allocation of rights to a Primary Rights Holder shall be in accordance with the Commission's authorization for the Linden VFT Transmission Owner to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in Transmission Provider's Tariff rates) for the use of transmission capability over the Linden VFT Facility. Agreements between the Linden VFT Transmission Owner and a Primary Rights Holder for the allocation of rights to a Primary Rights Holder shall be considered Service Agreements under this Schedule 16-A and shall be reported by the Linden VFT Transmission Owner to the Commission through Electronic Quarterly Reports in accordance with Order No. 2001.

2.3 Transmission Injection Rights Associated with the Linden VFT Facility: The award of Transmission Injection Rights to the Linden VFT Transmission Owner shall be made pursuant to Section 232 of the Tariff and any subsequent transfer to Primary Rights Holders shall be made in accordance with Section 2.1 hereof. The Transmission Injection Rights solely allow for the injection of capacity and energy at the Point of Interconnection for the Linden VFT Facility and do not provide any priority with respect to the reservation, scheduling, curtailment or interruption of transmission service over the Linden VFT Facility pursuant to this Schedule.

2.4 Transfer of Transmission Injection Rights: Any resale, assignment, conveyance or transfer of a Transmission Injection Right shall be consistent with Section 232.6 of this Tariff and any terms and conditions agreed upon between the Linden VFT Transmission Owner and the Primary Rights Holder.

3. Linden VFT Reservations

3.1 Effect of a Linden VFT Reservation: A Linden VFT Reservation is a prerequisite to scheduling capacity and/or energy on the Linden VFT Facility. A holder of a

confirmed Linden VFT Reservation may submit offers to schedule capacity and/or energy into the Transmission System at the Point of Interconnection over the Linden VFT Facility.

3.2 Recallability: A Non-Firm Linden VFT Reservation released pursuant to Section 3.7 is recallable by a holder of a Firm Linden VFT Reservation that has retained the right of recall until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet installed capacity obligations in PJM. The procedures and prerequisites for the exercise of recall rights are set forth in Section 4.2.2.

3.3 Term of Service

3.3.1 Firm Linden VFT Reservation: The minimum term of a Firm Linden VFT Reservation shall be one day and the maximum term shall be equal to the term of agreement allocating rights to the Primary Rights Holder, the capability of the Linden VFT Facility pursuant to Section 2.1 of this Schedule. The terms and conditions applicable to Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Firm Linden VFT Reservations.

3.3.2 Non-Firm Linden VFT Reservation: The terms and conditions of Non-Firm Point-To-Point Transmission Service in Part II of the Tariff shall apply to any and all Non-Firm Linden VFT Reservations.

3.3.3 Limitations. A Linden VFT Transmission Customer holding a Firm Linden VFT Reservation or Non-Firm Linden VFT Reservation may not submit a request for scheduling of capacity and energy over the Linden VFT Facility that exceeds the period or megawatt amount of its Linden VFT Reservation.

3.4 Acquisition of Linden VFT Reservations: Linden VFT Reservations are initially allocated to Primary Rights Holders pursuant to Section 2.1. Third parties may purchase Firm Linden VFT Reservation or Non-Firm Linden VFT Reservations through (i) assignment pursuant to Section 3.5 of this schedule or (ii) voluntary or default release through Transmission Provider's resale procedures as stated in the Tariff and the Regional Scheduling Practices in accordance with Section 3.7 of this Schedule. The holder of a Linden VFT Reservation that sells or assigns its rights is hereafter referred to as the Reseller. The entity purchasing a Linden VFT Reservation through resale is hereafter referred to as the Buyer.

3.5 Assignment of Linden VFT Reservation: The Primary Rights Holder of a VFT Reservation may assign its VFT Reservation to third parties in accordance with the terms of the agreement between the Linden VFT Transmission Owner and the Primary Rights Holder provided that notice of such assignment is provided to the Transmission Provider with such information provided on the OASIS. Subject to Commission approval of any necessary filings, a holder of a VFT Reservation may assign all or a portion of its rights, but only to another Eligible Customer (the Buyer). The compensation to the Reseller shall be at rates established by agreement with the Buyer. Notice of such assignment shall be provided to the Transmission Provider as soon as possible after any assignment occurs but in any event, notification must be

provided prior to any submission of offers to schedule capacity and energy pursuant to such VFT Reservation by the Buyer.

3.6 Limitations on Resale of Linden VFT Reservations: If the Buyer requests a change in the specifications set forth in the original Linden VFT Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change is done before the start of service, does not exceed the rights granted in the Reseller's original Linden VFT Reservation and will not impair the operation and reliability of the Linden VFT Facility, the Transmission Provider's Transmission System or a Transmission Owner's generation, transmission, or distribution systems. The Reseller shall remain liable for the performance of all obligations under the Linden VFT Service Agreement, except as specifically agreed to by the Reseller, the Buyer, and the Transmission Provider through an amendment to the Linden VFT Service Agreement. A holder of a Linden VFT Reservation shall notify the Transmission Provider of the resale of any Linden VFT Reservation including the rate to be charged in accordance with the deadlines posted in NAESB WEQ 001-11.5.1 for On-OASIS re-sales, and NAESB WEQ 001-11.5.2 for Off-OASIS re-sales.

3.7 Release of Linden VFT Reservation: Linden VFT Reservations may be resold as Available Transmission Capacity (ATC) for acquisition as Linden VFT Service by third parties using the OASIS. Such a resale of transmission service is subject to the requirements in the PJM Manuals, NERC and NAESB Standards.

3.7.1 Voluntary Releases: A holder of a VFT Reservation may offer all or any portion of its VFT Reservation for voluntarily release on a first-come, first-served basis. A VFT Reservation that has been posted for voluntary release under this subsection shall be excluded from the default release procedures set forth in subsection 3.7.2.

3.7.2 Default Releases: In the event that any holder of a Linden VFT Reservation fails to either: (i) submit a request to schedule energy up to the full MW value of its Linden VFT Reservation by noon (12:00 p.m.) one business day prior to the Operating Day or (ii) offer its VFT Reservation for voluntarily release pursuant to subsection 3.7.1, then, the difference between the Total Transfer Capability over the VFT Line in each scheduling hour of the Operating Day and the sum of the valid requests for Linden VFT Schedules and MW amount of Linden VFT Reservations voluntarily released on OASIS for such scheduling hour, shall be deemed released by the Linden VFT Transmission Owner (as Reseller) and shall be posted on the OASIS by the Transmission Provider as Non-Firm ATC for acquisition by third parties on a first-come, first-served basis.

3.7.3 Release Rate: The holder of a Linden VFT Reservation seeking to voluntarily release all or any portion of its Linden VFT Reservation shall provide to the Transmission Provider the rate to be posted on OASIS and charged for such releases. The Linden VFT Transmission Owner may provide the Transmission Provider a rate to be posted on OASIS and charged for default releases pursuant to Section 3.7.2. In the event that the Linden VFT Transmission Owner does not separately provide to the Transmission Provider a rate for default releases, such default releases shall be charged

the lowest rate posted on OASIS for voluntary release of Linden VFT Reservations in the applicable hour.

3.7.4 Character of Service Released: Releases of Linden VFT Reservations made pursuant to the default release provisions in subsection 3.7.2 do not include the right of recall under Section 3.2 and shall be hourly Non-Firm Linden VFT Reservations.

3.7.5 Requirements for Acquisition of Linden VFT Reservations through Release or Assignment: An Eligible Customer shall be eligible to acquire and hold a Linden VFT Reservation through an assignment of a Linden VFT Reservation pursuant to Section 3.5 or release of a Linden VFT Reservation over OASIS pursuant to Section 3.7 if such entity meets all of the requirements for a Linden VFT Transmission Customer except for part (iii) of such requirements.

3.7.6 Resale Rate: The Reseller of a Linden VFT Reservation shall post the rate on OASIS and will be credited for completed re-sales of its service. The Reseller of a Linden VFT Transmission Reservation and the resale Buyer shall be credited/charged the rate as agreed and posted on the OASIS for the Linden VFT Reservations resold.

3.8 Billing and Payment for Linden VFT Reservations:

3.8.1 Linden VFT Reservations Allocated to Primary Rights Holders Pursuant to Section 2.1: The billing and payment of rates or charges applicable to the allocation of Firm or Non-Firm Linden VFT Reservations to the Primary Rights Holder pursuant to section 2.1 shall be determined pursuant to arrangements between the Linden VFT Transmission Owner and the Primary Rights Holder and not under this Tariff.

3.8.2 Linden VFT Reservations Acquired Through Resale Pursuant to Section 3.7.1: An entity acquiring a Linden VFT Reservation through a Resale over the OASIS pursuant to subsection 3.7.1 shall be billed the applicable rate which is posted on OASIS pursuant to subsection 3.7.3. The Transmission Provider will credit/bill both parties according to the applicable rate and the transaction shall be settled through Transmission Provider's settlements.

3.8.3 Linden VFT Reservations Acquired Through Default Resale: The Transmission Provider shall bill an entity acquiring a Linden VFT Reservation through a default resale the applicable rate which is posted on OASIS pursuant to subsection 3.7.3. Any revenues received from the acquisition of Linden VFT Reservations subject to default release provisions shall be paid by the Transmission Provider to the VFT Transmission Owner. A Linden VFT Transmission Customer shall pay the applicable rates for the megawatt amount of the Linden VFT Reservation for each hour regardless of whether such holder(s) submitted a schedule for transmission service over the Linden VFT Facility in such hour.

4. Linden VFT Schedules

4.1 Nature of Transmission Service over the Linden VFT Facility: Linden VFT Schedules shall be requested in accordance with NERC and NAESB Standards, including requirements relating to E-Tagging and Transmission Line Relief procedures. An entity seeking to schedule use of the Linden VFT Facility must hold a Linden VFT Reservation for no less than the amount of megawatts of service being requested. Deadlines for scheduling the use of the Linden VFT Facility shall adhere to the Transmission Provider's deadlines for scheduling as provided by the Transmission Provider's manuals and consistent with the deadlines for scheduling Point to Point Transmission Services as described in Part II of the Tariff.

4.2 Submission of Scheduling Requests, Award of Reservations, Curtailment and Interruption of Linden VFT Schedule:

4.2.1 Submission of Scheduling Requests: A Linden VFT Transmission Customer holding a Linden VFT Reservation has the right to submit requests for Firm Linden VFT Schedules or Non-Firm Linden VFT Schedules commensurate to the Linden VFT Reservations held by that entity.

4.2.2 Exercise of Recall Rights: An Eligible Customer holding a Firm Linden VFT Reservation, that retains the right of recall, may exercise such recall rights by providing notice, until the deadline posted on the OASIS which shall be based on the time necessary for submittal of energy bids to meet any installed capacity obligations in PJM, to the Transmission Provider that it wishes to exercise its right of recall. The exercise of a recall right pursuant to notice to the Transmission Provider shall immediately act to recall the Linden VFT Reservation previously released by the Eligible Customer and acquired by a third party under the assignment provisions set forth in Section 3.5 or the release procedures set forth in Section 3.7

4.3 Scheduling of Capacity and Energy over the Linden VFT Facility: The Transmission Provider shall evaluate all requests to schedule capacity and energy for injection into the Transmission System at the Point of Interconnection based on economic merit order. In the event of a tie within economic merit, a scheduling request made pursuant to a Firm Linden VFT Reservation shall have priority over a scheduling request made pursuant to a Non-Firm Linden VFT Reservation. In the case of an economic merit order tie between two or more scheduling requests using a Firm Linden VFT Reservation, the award of the scheduling reservation shall be on a pro rata basis. In the case of an economic merit order tie between two or more scheduling requests based on Non-Firm Linden VFT Reservations, the reservation classification of the Non-Firm Linden VFT Reservation (Monthly, Weekly, Daily or Hourly) shall then be used as the tiebreaker, with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a further tie within the sub-category of Non-Firm Linden VFT Reservations (Monthly, Weekly, Daily or Hourly), the timestamp order of the submission of requests to schedule service over the Linden VFT Facility shall be used as a tie-breaker. A holder of Linden VFT Reservations is limited in its total capacity and energy schedule for its Linden VFT Schedule to the higher of either its Firm or Non-Firm Linden VFT Reservations.

4.4 Limitations on Scheduling Amount: The Linden VFT Facility has a minimum total scheduling requirement of 1 MW at the Linden VFT Point of Receipt. The Linden VFT

Facility has a maximum continuous scheduling capability of the lower of the Total Transfer Capability (“TTC”) set by the Transmission Provider or 330 MW at the Linden VFT Point of Delivery. In the event that the total megawatt of schedules determined by the Transmission Provider is greater than the lower of the TTC or 330 MW at the Linden VFT Point of Delivery, all schedules above the maximum capability shall be rejected.

4.5 Curtailment of Linden VFT Schedules: In the event that a Curtailment or interruption of Linden VFT Schedules is required to maintain reliable operation of the Linden VFT Facility and the systems directly and indirectly interconnected with the Linden VFT Facility, any such Curtailment implemented by the Transmission Provider shall be based upon the priority of the associated Linden VFT Reservations. For Curtailment or interruptions of Linden VFT Schedules based on Firm Linden VFT Reservations will be performed on a pro rata basis. Curtailment of Linden VFT Schedules based on Non-Firm Linden VFT Reservations shall first be based on the Non-Firm Linden VFT Reservation classification (i.e., Monthly, Weekly, Daily, Hourly) with the longer term of Non-Firm Linden VFT Reservation receiving priority. In the case of a tie within the Non-Firm Linden VFT Reservation classifications, the time stamp order of the submission of valid bids/offers to schedule service over the Linden VFT Facility shall be used as a tiebreaker. The Transmission Provider shall provide advance notice of any Curtailment of Linden VFT Schedules to all affected Linden VFT Transmission Customers where such notice can be provided consistent with Good Utility Practice. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Facility as required by NERC Standards and the Joint Emergency Operating Protocol for the Linden VFT Scheduled Line which is posted on the PJM website. The Transmission Provider shall curtail Linden VFT Schedules over the Linden VFT Facility for reliability of the Transmission System pursuant to the separately reserved Transmission Service over the Transmission System pursuant to Part II or Part III of the Tariff to the Linden VFT Facility and the Transmission Provider’s Manuals.

4.6 Transmission Service Over the Transmission System. Prior to the commencement of a Linden VFT Schedule under this Schedule 16-A, a Linden VFT Transmission Customer shall arrange such Transmission Service over the Transmission System pursuant to Part II or Part III of the Tariff as may be necessary pursuant to the Tariff for delivery of energy, capacity or ancillary services over the Transmission System from the Point of Delivery of the Linden VFT Facility for at least the same time period as the Linden VFT Schedule provided under this Schedule 16-A. Reserving such Transmission Service from the Linden VFT Facility is a required precondition to acquiring a Linden VFT Schedule. The Linden VFT Transmission Customer is responsible for all charges associated with Transmission Service for delivery of capacity and energy from the Point of Delivery of the Linden VFT Facility.

5. Liability

The Transmission Provider and any holder of a Linden VFT Reservation which releases or resells its Linden VFT Reservation through resale procedures set forth in Section 3.5 and 3.7 of this Schedule 16-A shall be held harmless with regard to any claim which may be raised by any party regarding the award of the released Linden VFT Reservation, except to the extent that such party successfully establishes that the releasing party has incorrectly selected the party

acquiring such released Linden VFT Reservation as the result of gross negligence or willful misconduct. The liability of the Transmission Provider shall be limited by the terms and conditions of Section 10 of the Tariff and the provisions of the Operating Agreement.

6. Losses and Inadvertent Energy

Real power losses and inadvertent energy across the Linden VFT Facility shall be allocated solely to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on an hourly pro rata basis, except for hours with no Linden VFT Schedules, in which case any real power losses and inadvertent energy across the Linden VFT Facility shall be allocated to Linden VFT Transmission Customers that schedule Firm or Non-Firm transmission service over the Linden VFT Facility on a monthly pro rata basis.

7. Congestion Costs and FTRs

A Linden VFT Schedule provides a physical right to deliver energy over the Linden VFT Facility. Accordingly, no congestion costs shall be calculated over the Linden VFT Facility and no FTRs or their equivalent shall be offered for a Linden VFT Schedule. This provision is not meant to preclude any allocation of financial transmission rights, auction revenue rights or their equivalent awarded to the Linden VFT Transmission Owner pursuant to Part VI of the Tariff. Such rights would be allocated to Primary Rights Holders in accordance with Section 2.1.

8. Measurement and Posting of ATC and TTC

The ATC and TTC of the Linden VFT Facility shall be calculated and posted on the OASIS by the Transmission Provider consistent with the requirements of the Tariff.

9. Payment of Other Charges Required for a Linden VFT Schedule

The Linden VFT Transmission Customer is responsible for charges applicable to a Linden VFT Schedule provided under this Schedule 16-A, including, but not limited to, any congestion and loss charges, redispatch costs, transitional revenue neutrality charges, scheduling, administrative, hardware or software upgrade charges, control area or administrative services charges or ancillary service charges applicable to the Transmission Provider's administration of transmission service over the Linden VFT Facility (collectively, the "Linden VFT Service Administration Charges"). In the event that any such Linden VFT Service Administration Charges are billed by the Transmission Provider to the Linden VFT Transmission Owner, the Linden VFT Transmission Owner may bill the Linden VFT Transmission Customer for such charge, and the Linden VFT Transmission Customer shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such Linden VFT Service Administration Charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility.

In the event that any other charges related to the construction, maintenance, operation or upgrading of the Transmission System are assessed by the Transmission Provider to the Linden

VFT Transmission Owner for the use of the Linden VFT Facility for injection of energy or capacity into the Transmission System, the Linden VFT Transmission Owner may bill the Primary Rights Holder, and the Primary Rights Holder shall pay the Transmission Provider, on behalf of the Linden VFT Transmission Owner, such charges pursuant to this Section 9 as a condition of receiving transmission service over the Linden VFT Facility. The issuance and time for payment of charges under this Schedule 16-A shall be consistent with the billing and payment provisions of Section 7 of the Tariff.

Any failure of a Linden VFT Transmission Customer or a Primary Rights Holder to pay any of the charges referenced in this Section 9 shall be deemed a failure to pay by the Linden VFT Transmission Owner.

EXHIBIT A TO SCHEDULE 16-A

Form of Service Agreement for Transmission Service for Imports over the Linden VFT Facility

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”) and _____ (“Linden VFT Transmission Customer”).

2.0 The Linden VFT Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Linden VFT Reservation under the Tariff.

3.0 If required, the Linden VFT Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Linden VFT Transmission Customer agrees to take and pay for the Linden VFT Reservation in accordance with the provisions of Schedule 16-A of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider PJM Interconnection, L.L.C. 2750 Monroe Blvd. Audubon, PA 19403
Linden VFT Transmission Customer _____ _____ _____

7.0 The Tariff, including Schedule 16-A, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Linden VFT Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Linden VFT Transmission Customer) and that
_____ (Linden VFT Transmission Customer) will not request
service under this Service agreement to assist an Eligible Customer to avoid the reciprocity
provision of this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service for Imports Over Linden VFT Facility

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted.

3.0 Point of Receipt: NYISO (at the Linden Cogen 345 kV ring bus in Linden, New Jersey)

Delivering Party: _____

4.0 Point of Delivery: VFT Switching Station in Linden, New Jersey

Receiving Party: _____

5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 16-A).

7.1 Linden VFT Reservation Charge:

7.2 Linden VFT Service Administration Charges:

7.3 Linden VFT Transmission Enhancement Charges:

EXHIBIT A TO SCHEDULE 17

Form of Service Agreement for Transmission Service over the Hudson Line

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the “Transmission Provider”), as administrator of Transmission Service over the Hudson Line, and _____ (“Hudson Transmission Customer”).

2.0 The Hudson Transmission Customer has been determined by the Transmission Provider to have a Completed Application for a Hudson Reservation under the Tariff.

3.0 If required, the Hudson Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Hudson Transmission Customer agrees to take and pay for the Hudson Reservation in accordance with the provisions of Schedule 17 of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Hudson Transmission Customer

7.0 The Tariff, including Schedule 17, is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Hudson Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Hudson Transmission Customer) and that
_____ (Hudson Transmission Customer) will not request service
under this Service agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Transmission Service Over Hudson Line

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted.

- 3.0 Point of Receipt: PSE&G's Bergen Substation in Ridgefield, New Jersey
Delivering Party: _____
- 4.0 Point of Delivery: ConEd's West 49th Street Substation in New York, New York
Receiving Party: _____
- 5.0 Maximum amount of energy to be transmitted (Reserved Transmission Capability):

- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

- 7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and Schedule 17).
- 7.1 Hudson Reservation Charge: _____

- 7.2 Hudson Service Administration Charges: _____
- 7.3 Hudson Transmission Enhancement Charges: _____

ATTACHMENT A

Form of Service Agreement For Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection L.L.C. (the Transmission Provider) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____ (“Transmission Customer”).

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Firm Point-To-Point Transmission Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities, Local Upgrades and/or Network Upgrades and any contingencies identified in the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer and _____ [name of transmission owner constructing upgrades] _____ are completed, if applicable, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties or as otherwise specified in this Service Agreement.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

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

Transmission Customer:

7.0 The Tariff is incorporated herein and made a part hereof.

8.0 For Short-Term Firm Point-To-Point Transmission Service requested under this Agreement, the confirmation procedures set forth in this section 8.0 shall apply. Whenever PJM notifies the Transmission Customer that a request for Short-Term Firm Point-To-Point Transmission Service can be accommodated, the Transmission Customer shall confirm, by the earlier of (i) 15 days after PJM approves the request for service, or (ii) 12:00 noon on the day before the Service Commencement Date, that it will commence the requested service. Failure of the Transmission Customer to provide such confirmation will be deemed a withdrawal and termination of the request for the service, and any deposit submitted with the request will be refunded with interest.

{Use the following Section 9.0 for Long-Term Firm Point-To-Point Transmission Service Requests that require construction of Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades}

9.0 The Transmission Customer was notified by the Transmission Provider that the System Impact Study indicates that Firm Point-To-Point Transmission Service can not extend beyond one year from the commencement of service unless certain Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades are constructed pursuant to the Tariff and in accordance with the terms and conditions of the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer, and _____[name of Transmission Owner constructing upgrades]_____. The required Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are identified, including estimated costs and lead times to support the requested Firm Point-To-Point Transmission Service in that Upgrade Construction Service Agreement. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Firm-Point-To-Point Transmission Service, unless and until the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are completed pursuant to the terms of the Upgrade Construction Service Agreement.

10.0 Rates for Long-Term Firm Point-To-Point Transmission Service shall apply pursuant to this Service Agreement and applicable provisions of the PJM Tariff. Transmission Customer will not be eligible for any credits against these rates for the value of the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities it provides; its consideration for payment for Customer-Funded Upgrades will be the Long-Term Firm Point-To-Point Transmission Service described in the Transmission Service Agreement, and the associated Upgrade-Related Rights, as described in the Upgrade Construction Service Agreement.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service under
this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this
Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this _____ day of _____, _____.

(Notary Public)

My Commission expires: _____

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Transmission Capability): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Other Supporting Facilities Charge: _____

ATTACHMENT B
Form of Service Agreement For Non-Firm Point-To-Point
Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

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

Transmission Customer:

- 7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service
under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires: _____

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) as the administrator of the Tariff, PJM Settlement Inc. ("Counterparty") as the counterparty, and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a valid request for Network Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff.
- 3.0 Service under this agreement shall commence on the later of: (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.
- 4.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Transmission Service in accordance with the provisions of the Tariff, including the Network Operating Agreement (which is incorporated herein by reference), and this Service Agreement as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty):

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

Transmission Customer:

- 6.0 The Tariff for Network Integration Transmission Service is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

CERTIFICATION

I, _____, certify that I am a duly authorized officer of
_____ (Transmission Customer) and that
_____ (Transmission Customer) will not request service
under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of
this Open-Access Transmission Tariff.

(Name)

(Title)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires: _____

**SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

- 2.0 Description of capacity and/or energy to be transmitted within the PJM Region (including electric control area in which the transaction originates).

- 3.0 Network Resources: _____

- 4.0 Network Load: _____

- 5.0 Designation of party subject to reciprocal service obligation:

- 6.0 Name(s) of any Intervening Systems providing transmission service:

- 7.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the tariff.)

- 7.1 Embedded Cost Transmission Charge: _____

- 7.2 Facilities Study Charge: _____

- 7.3 Direct Assignment Facilities Charge: _____

- 7.4 Ancillary Services Charge: _____

- 7.5 Other Supporting Facilities Charge: _____

ATTACHMENT F-1

Form of Umbrella Service Agreement for Network Integration Transmission Service Under State Required Retail Access Programs

- 1.0 This Service Agreement dated as of _____, including the Specifications For Network Integration Transmission Service Under State Required Retail Access Programs attached hereto and incorporated herein, is entered into, by and between PJM Interconnection, L.L.C. (“Transmission Provider”) as administrator of the Tariff, PJM Settlement Inc. (“Counterparty”) as the counterparty, and _____, a transmission customer participating in a state required retail access program and/or a program providing for the contractual provision of default service or provider of last resort service (“Network Customer”).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Integration Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in a state required retail access program.
- 3.0 Service under this Service Agreement shall commence on _____, and shall terminate on such date as mutually agreed upon by the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 4.0 The Transmission Provider agrees to provide, and the Network Customer agrees to take, Network Integration Transmission Service in accordance with the Tariff, including the Operating Agreement of the PJM Interconnection, L.L.C. (“Operating Agreement”) (which is the Network Operating Agreement under the Tariff and is incorporated herein by reference) and this Service Agreement, as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider (on behalf of Transmission Provider and Counterparty)

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

Network Customer

IN WITNESS WHEREOF, the Transmission Provider and the Network Customer have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider

By: _____
Name Title Date

Counterparty:

By: _____
Name Title Date

Network Customer

By: _____
Name Title Date

SPECIFICATIONS FOR
NETWORK INTEGRATION TRANSMISSION SERVICE
PURSUANT TO STATE REQUIRED RETAIL ACCESS PROGRAMS

- 1.0 Term of Service: The term of service under this Service Agreement shall be from _____ until terminated by mutual agreement of the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 2.0 Network Operating Agreement: In accordance with Section 29.1 of the Tariff, the Network Customer must be a member of PJM Interconnection, L.L.C. and a signatory to the Operating Agreement.
- 3.0 Network Load and Network Resources: The Network Customer shall be responsible for the Transmission Provider receiving the information pertaining to Network Load, Network Resources, and Behind The Meter Generation described in this section. Such information shall be provided in accordance with procedures established by the Transmission Provider. With respect to service requests under this umbrella Service Agreement, the Transmission Provider will deem the provision of the information specified in this section as complying with the application requirements set forth in Section 29.2 of the Tariff.
- 3.1 Network Load: For Network Load within the PJM Region, the Network Customer shall arrange for each electric distribution company (“EDC”) delivering to the Network Customer’s load to provide directly to the Transmission Provider, on a daily basis, the Network Customer’s peak load (net of operating Behind The Meter Generation, but not to be less than zero, unless such generation is separately metered and reported to PJM), by bus, coincident with the annual peak load of the Zone as determined under Section 34.1 of the Tariff. The peak load shall be expressed in terms of tenths of a megawatt and shall include all losses within the PJM Region, including other transmission losses, and distribution losses. Unless a more specific bus distribution is available, the EDC may provide a bus distribution for the Network Customer’s peak load proportional to the bus distribution for all of the load in the Zone. The information must be submitted directly to the Transmission Provider by the EDC, unless the Transmission Provider approves in advance another arrangement. For Non-Zone Network Load, the Network Customer shall provide to the Transmission Provider, on a daily basis, the Network Customer’s peak load, by interconnection at the border of the PJM Region, coincident with the annual peak load of such area as determined under Section 34.1 of the Tariff. The peak load for such Non-Zone Network Load shall be expressed in terms of tenths of a megawatt and shall not include losses within the PJM Region. Unless a more specific bus distribution is identified and node definition requested, a service request shall be granted upon submission of the information set forth in this Section 3.1 without any further confirmation procedures. If a Network Customer under this Service Agreement, prior to the commencement of service or at any time after the commencement of

service, identifies a more specific bus distribution and requests a node definition for all or part of its Network Load that is served under state required retail access programs, the Network Customer shall notify both the Transmission Provider and the electric distribution company pursuant to the notification procedure and schedule set forth in the PJM manuals. The Transmission Provider, exercising its independent judgment and expertise, shall have the authority to resolve any difference of opinion that may arise between the Network Customer and the electric distribution company as to the applicable bus distribution or node definition. If confirmed, the more specific bus distribution will not be used for billing and settlement purposes, however, until the notification procedure set forth in the PJM manuals is completed, and in no event until June 1, to correspond with the commencement of the annual planning period.

- 3.2 Network Resources: The Network Customer, as necessary, shall designate from time to time its Network Resources. In the event the Network Resource to be designated is Behind The Meter Generation, the designation must be made before the commencement of a Planning Period as that term is defined in the Operating Agreement and will remain in effect for the entire Planning Period. Such Network Resources must be acceptable to the Transmission Provider as Network Resources in accordance with the Tariff and the Operating Agreement. Designations of resources that have not previously been accepted as Network Resources of any Network Customer or Transmission Customer shall include the information set forth in Section 29.2(v) of the Tariff. Changes in the designation of Network Resources will be treated as an application for modification of service. The Network Customer shall confirm the acceptance of a Network Resource within 15 days of the completion of a System Impact Study or 30 days after completion of a Facilities Study, as is applicable. The Transmission Provider will maintain a current list of Network Resources, which shall be updated from time to time.
- 3.3 Hourly Load: The Network Customer and/or the EDCs delivering to the Network Customer's load shall provide to the Transmission Provider, on a daily basis, hourly loads and an associated bus distribution for the Network Load. For Network Load within the PJM Region, hourly loads required under this Section shall include all losses within such area, including transmission losses, and distribution losses. The Network Customer shall notify the Transmission Provider whether the Network Customer or the EDC will submit the hourly loads. The submitted load values will include losses and shall be reduced using the applicable loss factor determined by the Transmission Provider whenever a billing determination is calculated under the Tariff without losses.
- 3.4 Energy Schedules: The Network Customer shall schedule energy for its hourly loads in accordance with the Appendix to Attachment K of the Tariff.
- 3.5 Interruptible Loads: The Network Customer shall inform or shall arrange for each EDC delivering to Network Customer's load to inform Transmission Provider about the amount and location of any interruptible loads included in the Network

Load. This information shall include the summer and winter peak load for each interruptible load (had such load not been interruptible), that portion of each interruptible load subject to interruption, the conditions under which an interruption can be implemented, and any limitations on the duration and frequency of interruptions.

- 3.6 Procedures for Load Determination: The procedures by which an EDC will determine the peak and hourly loads reported to the Transmission Provider under Sections 3.1 and 3.3 may be set forth in a separate schedule to the Tariff for each EDC.
- 3.7 Behind The Meter Generation: For Behind The Meter Generation of a Network Customer that requires metering pursuant to section 14.5 of the Operating Agreement, the Network Customer shall arrange for the Transmission Owner or EDC to provide directly to Transmission Provider information pertaining to such Behind The Meter Generation and the total load at its location as necessary for PJM's planning purposes.
- 4.0 Energy Imbalance Service: The Network Customer will receive Energy Imbalance Service from the Transmission Provider in accordance with Schedule 4 of the Tariff. Energy Imbalance Service is considered to be PJM Interchange and will be charged at the hourly locational marginal price determined pursuant to Section 2 of the Appendix to Attachment K of the Tariff.
- 5.0 Reconciliation Billing: For Network Load within the PJM Region, to the extent required, the Transmission Provider will reconcile the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage, and provide corresponding charges and credits to Network Customer. Such reconciliation, if required, shall be made at the same rates as Energy Imbalance Service.
- 6.0 Designation of party subject to reciprocal service obligation: The Network Customer shall comply with Section 6 of the Tariff.
- 7.0 Name(s) of any Intervening Systems providing transmission service: To the extent any Network Resources are located outside the PJM Region, the list of Network Resources maintained by the Transmission Provider referenced in Section 3.2 of these specifications, shall identify any intervening systems needed to deliver those Network Resources to the Network Customer's retail load.
- 8.0 Charges: Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
 - 8.1 Embedded Cost Transmission Charge: The embedded cost transmission charge shall be determined in accordance with the formula set forth in Section 34 of the Tariff.

- 8.2 System Impact and Facilities Study Charges: To the extent Network Resources are located outside, or a new resource is added to, the PJM Region, a System Impact Study and/or Facilities Study Agreement and related charges may be required pursuant to Section 32 of the Tariff.
- 8.3 Direct Assignment Facilities Charge: To the extent that facilities or portions of facilities must be constructed by a Transmission Owner for the sole use or benefit of the Network Customer to accommodate the service requested by the Network Customer, the Network Customer shall be responsible for the cost of such Direct Assignment Facilities, and the charges for such facilities shall be specified at the time that the Transmission Provider determines the facilities that are needed to provide the requested service.
- 8.4 Ancillary Services Charge: In addition to Energy Imbalance Service, Transmission Provider shall bill the Network Customer for ancillary services in accordance with Schedules 1, 1-A, 2, 3, 5, 6, and 9 of the Tariff. To the extent required, the ancillary services charges shall also be reconciled based on any differences between the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage.
- 8.5 Other Supporting Facilities Charge: None.
- 8.6 **[Reserved]**
- 8.7 Other Charges: Transmission Provider shall charge Network Customer any and all other charges set forth in the Tariff applicable to providing Network Integration Service.
- 9.0 Designated Agent: To the extent that a Designated Agent for one or more Network Customers provides to the Transmission Provider any of the information required by these Specifications, it shall provide the information separately for each Network Customer.

CERTIFICATION

I, _____, certify that I am a duly authorized officer of

_____ (Network Customer) and that

_____ (Network Customer) will not request service under this
Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-
Access Transmission Tariff.

(Name)

(Name)

Subscribed and sworn before me this ____ day of _____, _____.

(Notary Public)

My Commission expires:_____

ATTACHMENT N
Form of
Generation Interconnection Feasibility Study Agreement

RECITALS

1. This Generation Interconnection Feasibility Study Agreement, dated as of _____, is entered into, by and between _____ ("Interconnection Customer") and PJM Interconnection, L.L.C. ("Transmission Provider") pursuant to Part IV and Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff"). Capitalized terms used in this agreement, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Tariff.
2. Pursuant to Section 36.1.01, 110.1, or 111.1, of the PJM Tariff, the Interconnection Customer has submitted an Interconnection Request and has paid the applicable initial deposit to the Transmission Provider and the applicable non-refundable base deposit for a proposed interconnection of a generation facility over 20 MW; or the applicable initial deposit and the applicable non-refundable base deposit for a proposed interconnection of a generation facility 20 MW or less but greater than 2 MW, as applicable, to the Transmission Provider.
3. Interconnection Customer requests interconnection to the Transmission System of a generating project with the following specifications.
 - a. Location of generating unit site:

 - b. Identification of evidence of ownership interest in, or right to acquire or control, the generating site:

 - c. Size in megawatts of generating unit or increase in capacity of existing generating unit:
 - A. Maximum Facility Output (as defined in section 1.18A.03 of the PJM Tariff) of the generating unit:

- B. If Interconnection Request is for an increase in capacity of existing generating unit, specify size in megawatts of the increase in capacity of existing generating unit:

- C. Specify any portion of the facility's capacity that you wish to be a Capacity Resource or Energy Resource.

_____ MW Capacity Resource

_____ MW Energy Resource

PLEASE NOTE: THE CAPACITY INDICATED IN YOUR RESPONSE TO PART C OF THIS ITEM MAY BE REDUCED, BUT MAY NOT BE INCREASED, WITH RESPECT TO THIS INTERCONNECTION REQUEST FOR THIS PROJECT.

- D. Identify the fuel type of the generating unit.

- d. Description of the equipment configuration:

- e. Planned date the generating unit or increase in capacity will be in service:

- f. Is the generating unit to be evaluated as a Capacity Resource?:

Yes _____ or No _____

If yes, check here to be evaluated also as an Energy Resource: _____

- g. Is the generating unit Behind The Meter Generation?

Yes _____ or No _____

If Yes:

- A. Specify any portion of the facility's capacity that you wish to be a Capacity Resource or Energy Resource.

PLEASE NOTE: THE CAPACITY INDICATED IN YOUR RESPONSE TO PART A OF THIS ITEM MAY BE REDUCED, BUT MAY NOT BE INCREASED, WITH RESPECT TO THIS INTERCONNECTION REQUEST FOR THIS PROJECT.

- B. Identify the type and size of the load located (or to be located) at the site of such generation.

- C. Describe the electrical connections between the generation facility and the load.

- h. Other information:

PURPOSE OF THE FEASIBILITY STUDY

4. Consistent with Section 36.2 of the PJM Tariff, the Transmission Provider shall conduct a Generation Interconnection Feasibility Study to provide the Interconnection Customer with preliminary determinations of: (i) the type and scope of the Attachment Facilities, Local Upgrades, and Network Upgrades that will be necessary to accommodate the Interconnection Customer's Interconnection Request; (ii) the time that will be required to construct such facilities and upgrades; and (iii) the Interconnection Customer's cost responsibility for the necessary facilities and upgrades. In the event that the Transmission Provider is unable to complete the Generation Interconnection Feasibility Study within the timeframe prescribed in Section 36.2 of the PJM Tariff, the Transmission Provider shall notify the Interconnection Customer and explain the reasons for the delay.
5. The Generation Interconnection Feasibility Study conducted hereunder will provide only preliminary non-final estimates of the cost and length of time required to accommodate

the Interconnection Customer's Interconnection Request. More comprehensive estimates will be developed only upon execution of a System Impact Study Agreement and a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The Generation Interconnection Feasibility Study necessarily will employ various assumptions regarding the Interconnection Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. The Generation Interconnection Feasibility Study shall not obligate the Transmission Provider or the Transmission Owners to interconnect with the Interconnection Customer or construct any facilities or upgrades.

CONFIDENTIALITY

6. The Interconnection Customer agrees to provide all information requested by the Transmission Provider necessary to complete the Generation Interconnection Feasibility Study. Subject to paragraph 7 of this Generation Interconnection Feasibility Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 6 shall be and remain confidential.
7. Until completion of the Generation Interconnection Feasibility Study, the Transmission Provider shall keep confidential all information provided to it by the Interconnection Customer. Upon completion of the Generation Interconnection Feasibility Study, the study will be listed on the Transmission Provider's OASIS and, to the extent required by Commission regulations, will be made publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential and will not be posted on the Transmission Provider's OASIS.
8. Interconnection Customer acknowledges that, consistent with the PJM Tariff, the Transmission Provider may contract with consultants, including the Transmission Owners, to provide services or expertise in the Generation Interconnection Feasibility Study process and that the Transmission Provider may disseminate information to the Transmission Owners.

COST RESPONSIBILITY

9. The Interconnection Customer shall reimburse the Transmission Provider for the actual cost of the Generation Interconnection Feasibility Study. The deposit paid by the Interconnection Customer described in Section 2 of this Agreement shall be applied toward the Interconnection Customer's Generation Interconnection Feasibility Study cost responsibility. In the event that the Transmission Provider anticipates that the actual study costs will exceed the deposit described in Section 2 of this agreement, the Transmission Provider shall provide the Interconnection Customer with an estimate of the study costs. Within 10 days of receiving such estimate, the Interconnection Customer may withdraw its Interconnection Request. Unless the Interconnection Request is withdrawn, the Interconnection Customer agrees to pay the actual additional costs of the Generation Interconnection Feasibility Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

10. In analyzing and preparing the Generation Interconnection Feasibility Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FEASIBILITY STUDY. The Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Generation Interconnection Feasibility Study Agreement nor the Generation Interconnection Feasibility Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the Interconnection Customer either at this point in time or in the future.
11. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Generation Interconnection Feasibility Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this Generation Interconnection Feasibility Study Agreement.

Without limitation of the foregoing, the Interconnection Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any Generation Interconnection Feasibility Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

12. Any notice or request made to or by either party regarding this Generation Interconnection Feasibility Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

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

Interconnection Customer

13. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Generation Interconnection Feasibility Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
14. This Generation Interconnection Feasibility Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
15. This Generation Interconnection Feasibility Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
16. Neither this Generation Interconnection Feasibility Study Agreement nor the Generation Interconnection Feasibility Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
17. The provisions of Part IV of the PJM Tariff are incorporated herein and made a part hereof.
18. **Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Generation Interconnection Feasibility Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Generation Interconnection Feasibility Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
19. **No Third-Party Beneficiaries**
This Generation Interconnection Feasibility Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
20. **Multiple Counterparts**

This Generation Interconnection Feasibility Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

21. No Partnership

This Generation Interconnection Feasibility Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

22. Severability

If any provision or portion of this Generation Interconnection Feasibility Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Generation Interconnection Feasibility Study Agreement shall remain in full force and effect.

23. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Generation Interconnection Feasibility Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Generation Interconnection Feasibility Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Generation Interconnection Feasibility Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the Interconnection Customer have caused this Generation Interconnection Feasibility Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Interconnection Customer: [**Name of Party**]

By: _____
Name Title Date

Printed Name

**ATTACHMENT N-1
FORM OF
SYSTEM IMPACT STUDY AGREEMENT**

(PJM Queue Position #____)

RECITALS

1. This System Impact Study Agreement, dated as of _____, is entered into, by and between _____ ("New Service Customer") and PJM Interconnection, L.L.C. ("Transmission Provider") pursuant to Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff").
2. The Transmission Provider has: (i) pursuant to Section 36.2 of the PJM Tariff, completed an Interconnection Feasibility Study and provided the results of that study to the New Service Customer; (ii) received a valid Upgrade Request; or (iii) pursuant to Section 19 or Section 32, as applicable, of the PJM Tariff, the Transmission Provider has completed an Initial Study and provided the results of that study to the New Service Customer.
3. Pursuant to Sections 19.1, 32.1, 37, 110.2, 111.2, 204.2, or 204.3, as applicable, of the PJM Tariff, the New Service Customer (i) requests that the Transmission Provider perform a System Impact Study, and (ii) agrees to submit a deposit to the Transmission Provider which will be applied to the New Service Customer's cost responsibility for the System Impact Study, as set forth in Section 204.3A of the PJM Tariff.

PREVIOUS SUBMISSIONS

{For Interconnection Customers, use the following paragraph 4}

4. Except as otherwise specifically set forth in an attachment to this agreement, New Service Customer represents and warrants that the information provided in Section 3 of the Interconnection Feasibility Study Agreement dated _____, for the project designated _____ {insert Queue Position} by and between the New Service Customer and the Transmission Provider is accurate and complete as of the date of execution of this System Impact Study Agreement. New Service Customer further provides the following information and represents and warrants that said information is true and correct:

{For Generation Facilities, use the following paragraphs a through c}

- a. Specify whether the generation to be interconnected to the Transmission System is to be a Capacity Resource or an Energy Resource.

- b. Identification of evidence of initial application for the necessary air permits (attach documentation separately):

- c. Other information not previously provided that may be relevant to the study being conducted hereunder (attach generator data for stability study analysis):

{For Merchant Transmission Facilities, use the following paragraphs a through c}

- a. Provide evidence of ownership in, or right to acquire or control the site(s) where New Service Customer intends to install its major equipment, in the form of a deed, option agreement, lease or other similar document acceptable to PJM:

- b. Provide evidence of the rights or option to obtain such rights to use any existing transmission facilities within PJM that are necessary for construction of the proposed project.

- c. Other information not previously provided that may be relevant to the study being conducted hereunder:

{For New Service Customer other than Interconnection Customers, use the following paragraph 4}

4. Except as otherwise specifically set forth in an attachment to this agreement, New Service Customer represents and warrants that the information provided in Section ____ {insert applicable section number} of the New Service Request dated _____, for the request designated _____ {insert Queue Position} is accurate and complete as of the date of execution of this System Impact Study Agreement. New Service Customer further

provides the following information and represents and warrants that said information is true and correct:

PURPOSE OF THE SYSTEM IMPACT STUDY

5. Consistent with Section 205 of the PJM Tariff, the Transmission Provider, in consultation with the affected Transmission Owner(s), shall conduct a System Impact Study that identifies the system constraints relating to the New Service Requests being evaluated in the study and the Attachment Facilities, Local Upgrades, and Network Upgrades necessary to accommodate such New Service Requests. It is expected that the System Impact Study will be completed by {insert date}. In the event that the Transmission Provider is unable to complete the System Impact Study by that date, the Transmission Provider shall notify the New Service Customer and explain the reasons for the delay.
6. The System Impact Study conducted hereunder will provide more comprehensive estimates of the cost and length of time required to accommodate the New Service Customer's New Service Request than those developed through the Feasibility Study or Initial Study, if applicable, performed for the New Service Customer. These estimates shall represent a good faith attempt to determine the cost of necessary facilities and upgrades to accommodate the New Service Customer's New Service Request, and the New Service Customer's cost responsibility for them, but shall not be deemed final or binding. The scope of the System Impact Study {include for Merchant Transmission Facilities: may depend in part on the interconnection rights elected by the New Service Customer under Section 36.1.03 of the PJM Tariff and} may include (a) an assessment of sub-area import deliverability, (b) an assessment of sub-area export deliverability, (c) an assessment of project related system stability issues, (d) an assessment of project related short circuit duty issues, (e) a contingency analysis consistent with NERC's and each Applicable Regional Entity's reliability criteria, (f) an assessment of regional transmission upgrades that most effectively meet identified needs, and (g) an analysis to determine cost allocation responsibility for required facilities and upgrades. Final estimates will be developed only upon execution of a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The System Impact Study necessarily will employ various assumptions regarding the New Service Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. **IN NO EVENT SHALL THE SYSTEM IMPACT STUDY IN ANY WAY BE DEEMED TO OBLIGATE THE TRANSMISSION PROVIDER OR THE TRANSMISSION OWNERS THAT MAY INTERCONNECT WITH THE NEW SERVICE CUSTOMER TO CONSTRUCT ANY FACILITIES OR UPGRADES.**

CONFIDENTIALITY

7. The New Service Customer agrees to provide all information requested by the Transmission Provider necessary to complete the System Impact Study. Subject to paragraph 8 of this System Impact Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 7 shall be and remain confidential.

8. Until completion of the System Impact Study, the Transmission Provider shall keep confidential all information provided to it by the New Service Customer. Pursuant to Section 205.4 of the PJM Tariff, upon completion of the System Impact Study, the Transmission Provider shall provide a copy of the System Impact Study to all New Service Customers whose New Service Requests were evaluated in the System Impact Study along with all related work papers. Additionally, Transmission Provider shall post on Transmission Provider's OASIS (i) the existence of the System Impact Study, (ii) the New Service Customers that had New Service Requests evaluated in the System Impact Study, (iii) the location and size in megawatts of each New Service Customer's generation project, if applicable, and (iv) each New Service Customer's Queue Position. Additionally, New Service Customer acknowledges and consents to such other disclosures as may be required under the PJM Tariff or the FERC's rules and regulations.
9. New Service Customer acknowledges that, consistent with Part VI of the PJM Tariff, the Transmission Owners will participate in the System Impact Study process and that the Transmission Provider may disseminate information to the Transmission Owners and rely upon them to conduct part or all of the System Impact Study.

COST RESPONSIBILITY

10. The New Service Customer shall reimburse the Transmission Provider for the actual cost of the System Impact Study in accordance with its cost responsibility as determined under Sections 110.2, 111.2 or 203 of the PJM Tariff. The deposit described in Section 3 of this Agreement, paid by the New Service Customer pursuant to Sections 110.2, 111.2, or 204.3A of the PJM Tariff, shall be applied toward the New Service Customer's System Impact Study cost responsibility. In the event that the Transmission Provider anticipates that the New Service Customer's study cost responsibility will substantially exceed the deposit, the Transmission Provider shall provide the New Service Customer with an estimate of the study costs and the New Service Customer's cost responsibility. Within 10 days of receiving such estimate, the New Service Customer may withdraw its New Service Request by providing notice to the Transmission Provider, in which event the deposit paid to Transmission Provider shall be refunded. Unless the New Service Request is withdrawn within 10 days, the New Service Customer agrees to pay the amount of its actual System Impact Study cost responsibility.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

11. In analyzing and preparing the System Impact Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the New Service Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF

PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE SYSTEM IMPACT STUDY. The New Service Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this System Impact Study Agreement nor the System Impact Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the New Service Customer either at this point in time or in the future.

12. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether arising under this System Impact Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this System Impact Study Agreement.

Without limitation of the foregoing, the New Service Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any System Impact Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

13. Any notice or request made to or by either party regarding this System Impact Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

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

New Service Customer

14. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this System Impact Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
15. This System Impact Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
16. This System Impact Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
17. Neither this System Impact Study Agreement nor the System Impact Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
18. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
19. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the PJM Tariff.
20. This System Impact Study Agreement shall be effective as of the date of the New Service Customer's execution of it and shall remain in effect until the earlier of (a) the date on which the Transmission Provider tenders the completed System Impact Study and a proposed Facilities Study Agreement to New Service Customer pursuant to Section 206 of the PJM Tariff, or (b) termination and withdrawal of the New Service Request(s) to which the System Impact Study hereunder relates.
21. **No Third-Party Beneficiaries**
This System Impact Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
22. **Multiple Counterparts**
This System Impact Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
23. **No Partnership**
This System Impact Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

24. Severability

If any provision or portion of this System Impact Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this System Impact Study Agreement shall remain in full force and effect.

25. Governing Law, Regulatory Authority, and Rules

For Interconnection Requests, the validity, interpretation and enforcement of this System Impact Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This System Impact Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

26. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this System Impact Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this System Impact Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this System Impact Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the New Service Customer have caused this System Impact Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

New Service Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

**ATTACHMENT N-2
FORM OF
FACILITIES STUDY AGREEMENT**

(PJM Queue Position #____)

RECITALS

1. This Facilities Study Agreement ("Agreement"), dated as of _____, is entered into by and between _____ ("New Service Customer") and PJM Interconnection, L.L.C. ("Transmission Provider"), pursuant to Part VI of the PJM Interconnection, L.L.C. Open Access Transmission Tariff ("PJM Tariff").
2. Pursuant to Section 36.2 or Section 205 of the PJM Tariff, Transmission Provider has completed a Generation or Transmission Interconnection Feasibility Study or an Initial Study (as applicable) and a System Impact Study and has provided the results of those studies to New Service Customer.
3. Transmission Provider has informed New Service Customer that the estimated date for completion of a Facilities Study pursuant to Section 206 of the PJM Tariff is {date} and that New Service Customer's estimated cost responsibility for such Facilities Study, subject to revision as provided in this Agreement, is \$ _____.
4. New Service Customer desires that Transmission Provider commence a Facilities Study for the New Service Request with Queue Position {queue position}.

PREVIOUS SUBMISSIONS

{For Interconnection Customers, use the following paragraph 5}

5. Except as otherwise specifically set forth in an attachment to this Agreement, New Service Customer represents and warrants that the information provided in section 3 of the Feasibility Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, and to the extent supplemented as set forth in section 4 of the System Impact Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, is accurate and complete as of the date of execution of this Facilities Study Agreement.

{For New Service Customers other than Interconnection Customers use the following paragraph 5}

5. Except as otherwise specifically set forth in an attachment to this Agreement, New Service Customer represents and warrants that the information provided in section 4 of the System Impact Study Agreement, dated _____, by and between New Service Customer and Transmission Provider, is accurate and complete as of the date of execution of this Facilities Study Agreement.

MILESTONES

6. Pursuant to Section 206.1 of the PJM Tariff, the parties agree that New Service Customer must meet the following milestone dates relating to the development of its generation or merchant transmission project(s) or New Service Request, as applicable, in order to retain the assigned Queue Position of its New Service Request(s) (as established pursuant to Section 201 of the PJM Tariff) while Transmission Provider is completing the Facilities Study:

[Specify Project Specific Milestones]

[As appropriate include the following standard Milestones, with any revisions necessary for the project at hand]

- 6.1 Unless New Service Customer previously specified, in its initial drawing submitted to Transmission Provider, the location of the high-side of the generator step-up transformer, then on or before _____, New Service Customer must provide evidence of an ownership interest in, or right to acquire or control the location which shall be on the high voltage side of the Customer Facility generator step-up transformer(s), or in the case of a Customer Facility with a single step-up transformer for multiple generators, the high voltage side of the facility step-up transformer. The evidence of site control shall be a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider.
- 6.2 To the extent New Service Customer intends to elect the Option to Build as provided in Appendix 2 to Attachment P of the Tariff, and to the extent any new or additional property is required to accommodate required Attachment Facilities, on or before _____, New Service Customer must provide evidence of an ownership interest in, or right to acquire or control the location which shall be the location of the network substation which shall be built and subsequently transferred to the Interconnected Transmission Owner. The evidence of site control shall be a deed, option agreement, lease, or other similar document acceptable to the Transmission Provider.

[Add Additional Project Specific Milestones as appropriate]

Should New Service Customer fail to achieve any of the foregoing milestones, its New Service Request(s) shall be deemed to be withdrawn and terminated and it will have to resubmit its New Service Request(s) for reassignment of a Queue Position and re-initiation of the New Service Request study process.

PURPOSE AND SCOPE OF THE FACILITIES STUDY

7. Transmission Provider, in consultation with the affected Transmission Owner(s), shall commence a Facilities Study pursuant to Section 206 of the PJM Tariff to evaluate the Attachment Facilities, Local Upgrades and/or Network Upgrades necessary to accommodate New Service Customer's New Service Request assigned Queue Position **{insert queue position}**. **{Add corresponding info on customer's other projects if necessary.}**
 - A. **Scope of Facilities Study:** The purpose of the Facilities Study is to provide, commensurate with any mutually agreed parameters regarding the scope and degree of specificity described in Schedule A attached to this agreement, conceptual engineering and, as appropriate, detailed design, plus cost estimates and project schedules, to implement the conclusions of the System Impact Study regarding the Attachment Facilities, Local Upgrades and Network Upgrades necessary to accommodate the New Service Customer's New Service Request(s). Cost estimates shall be determined in a manner consistent with Section 217 of the PJM Tariff. The nature and scope of the materials that Transmission Provider shall deliver to the New Service Customer upon completion of the Facilities Study shall be described in the PJM Manuals.
 - B. **Facilities Study Cost and Time Estimate:** Transmission Provider's estimates of the date for completion of the Facilities Study and of New Service Customer's cost responsibility for the Facilities Study are stated in section 3 of this Agreement. In the event that Transmission Provider determines that it will be unable to complete the Facilities Study by the estimated completion date stated in section 3 of this Agreement, it shall notify New Service Customer and will explain the reasons for the delay. New Service Customer agrees that its estimated cost responsibility stated in section 3 is subject to revision as provided in sections 14, 15 and 16 of this Agreement.
8. The Facilities Study necessarily will employ various assumptions regarding New Service Customer's New Service Request(s), other pending New Service Requests, and PJM's Regional Transmission Expansion Plan at the time of the study. **IN NO EVENT SHALL THIS AGREEMENT OR THE FACILITIES STUDY IN ANY WAY BE DEEMED TO OBLIGATE TRANSMISSION PROVIDER OR THE TRANSMISSION OWNERS TO CONSTRUCT ANY FACILITIES OR UPGRADES OR TO PROVIDE ANY TRANSMISSION OR INTERCONNECTION SERVICE TO OR ON BEHALF OF NEW SERVICE CUSTOMER EITHER AT THIS POINT IN TIME OR IN THE FUTURE.**

CONFIDENTIALITY

9. New Service Customer agrees to provide all information requested by Transmission Provider necessary to complete the Facilities Study. Subject to section 10 of this Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this section 9 shall be and remain confidential.

10. Until completion of the Facilities Study, Transmission Provider shall keep confidential all information provided to it by the New Service Customer. Upon completion of the Facilities Study, Transmission Provider shall provide a copy of the study to New Service Customer, and to all other New Service Customers whose New Service Requests were evaluated in the Facilities Study, along with (to the extent consistent with Transmission Provider's confidentiality obligations in Section 18.17 of the Operating Agreement) all related work papers. Transmission Provider also shall post on its OASIS the existence of the Facilities Study. New Service Customer acknowledges and consents to such other, additional disclosures of information as may be required under the PJM Tariff or the FERC's rules and regulations.
11. New Service Customer acknowledges that, consistent with Part VI of the PJM Tariff, the affected Transmission Owner(s) will participate in the Facilities Study process and that Transmission Provider may disseminate information to the affected Transmission Owner(s) and may consult with them regarding part or all of the Facilities Study.

COST RESPONSIBILITY

12.
 - A. New Service Customer shall reimburse Transmission Provider for all, or for an allocated portion of, the actual cost of the Facilities Study in accordance with its cost responsibility as determined under Section 206 of the PJM Tariff.
 - B. Prior to initiating the Facilities Study, Transmission Provider shall bill New Service Customer for New Service Customer's share of the cost of work on the study that is scheduled to be completed during the first three months after work commences. Thereafter, on or before the 5th business day of every third month, Transmission Provider shall bill New Service Customer for New Service Customer's share of the cost of work expected to be completed on the Facilities Study during the ensuing three months. New Service Customer shall pay each bill within twenty (20) days after receipt thereof. In the event New Service Customer fails, other than as provided below regarding billing disputes, to make timely payment of any invoice for work on the Facilities Study, its New Service Request shall be deemed to be terminated and withdrawn as of the date when payment was due. Notwithstanding the foregoing, in the event that the total estimated cost of the Facilities Study does not exceed the amount of the deposit required under Section 206 of the PJM Tariff, Transmission Provider shall apply the deposit in payment of the invoices for the cost of the Facilities Study. Upon written request by the New Service Customer pursuant to Section 206.4.1.1 of the PJM Tariff, Transmission Provider may provide a quarterly cost reconciliation. Subject to the following sentence regarding the final cost reconciliation upon completion of the Facility Study, such a quarterly cost reconciliation will have a one-quarter lag, e.g., reconciliation of costs for the first calendar quarter of work will be provided at the start of the third calendar quarter of work. Within 120 days after Transmission Provider completes the Facilities Study, Transmission Provider shall provide a final invoice presenting an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) New Service Customer's cost responsibility under this Agreement

and the PJM Tariff for the actual cost of the Facilities Study and (b) New Service Customer's aggregate payments hereunder, including its deposits.

C. In the event of a billing dispute, Transmission Provider shall continue to perform its obligations under this Agreement so long as (1) New Service Customer continues to make all payments not in dispute, and (2) New Service Customer's aggregate deposits held by Transmission Provider under this Agreement while the dispute is pending exceeds the amount in dispute, or (3) New Service Customer pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If New Service Customer fails to meet any of these requirements, then its New Service Request shall be deemed to be terminated and withdrawn as of the date when payment was due.

13. Concurrent with execution of this Agreement, New Service Customer will pay Transmission Provider a cash deposit, as provided by Section 206 of the PJM Tariff, equal to the greater of \$100,000.00 or New Service Customer's estimated cost responsibility for the first three months of work on the Facilities Study. Notwithstanding the foregoing, an Interconnection Customer with a proposed Customer Facility that is: (a) equal to or less than 20 MW but greater than 2 MW shall pay a refundable deposit in the amount of \$50,000; or (b) equal to or less than 2 MW shall pay a refundable deposit in the amount of \$15,000. New Service Customer's quarterly estimated cost responsibility shall equal its estimated cost responsibility for the work on the Facilities Study that is scheduled to be completed during each three-month period after such work commences. If New Service Customer fails timely to provide the deposit required by this section, its New Service Request shall be deemed terminated and withdrawn and this Agreement shall be null and void. New Service Customer acknowledges that it may become obligated to pay one or more additional deposits pursuant to sections 14 and 15 below. Except as otherwise provided in section 12.B above, Transmission Provider shall continue to hold the amounts on deposit under this agreement until settlement of the final invoice.
14. If the Facilities Study, as described in section 7.A of this Agreement, is to include evaluation of more than one New Service Request and one or more of those requests is terminated and withdrawn, subject to the terms of section 15 of this Agreement, Transmission Provider will redetermine and reallocate the costs of the Facilities Study among the remaining participating New Service Customers in accord with Section 206 of the PJM Tariff. In that event, and subject to the terms of section 15, within 30 days after the date for execution and return of Facilities Study Agreements as determined under Section 206 of the PJM Tariff, Transmission Provider will provide the New Service Customer with a written statement of the New Service Customer's revised responsibility for the estimated cost of the Facilities Study, determined in accordance with Section 206 of the PJM Tariff. In the event that New Service Customer's revised cost responsibility exceeds the sum of its previous deposits for the Facilities Study, it shall deliver to Transmission Provider, within 10 days after New Service Customer's receipt of its revised cost responsibility, an additional cash deposit equal to the amount of the excess. If New Service Customer fails timely to provide an additional deposit that is required

under this section, its New Service Request shall be deemed terminated and withdrawn as of the date by which its additional deposit was due. In the event that New Service Customer's revised cost responsibility under the notice described in this section is less than the sum of its previous deposits for the Facilities Study, Transmission Provider shall return to New Service Customer, with its notice of the revised cost responsibility, the amount of the difference.

15.
 - A. This section shall apply prior to commencement of the Facilities Study (1) if the Facilities Study is to include multiple New Service Requests; and (2) if, in Transmission Provider's reasonable judgment, the termination and withdrawal of one or more of those New Service Requests significantly changes the group of New Service Requests to be included in the Facilities Study from the group that was included in the System Impact Study. For the purposes of this section, a change to the group of New Service Requests to be included in the Facilities Study shall be significant if, in Transmission Provider's reasonable engineering judgment, the change is likely to cause the system constraints relating to, and/or the facilities and upgrades necessary to accommodate, the group of New Service Requests remaining to be included in the Facilities Study to differ materially from the system constraints relating to, and/or from the facilities and upgrades necessary to accommodate, the group of New Service Requests that the System Impact Study evaluated.
 - B. In the event of a significant change to the group of New Service Requests that the System Impact Study evaluated, within 15 days after the date for execution and return of Facilities Study Agreements as determined under Section 206 of the PJM Tariff, Transmission Provider shall provide New Service Customer with an explanation of the nature and extent of the change in the affected group of New Service Requests and of the extent to which Transmission Provider has determined that it must re-assess the results of the System Impact Study. Within 30 days after it provides the explanation described in the preceding sentence, Transmission Provider shall provide New Service Customer with a revised estimate of the time needed, and of the likely cost, to complete the Facilities Study, and, if the study continues to include evaluation of more than one New Service Customer's New Service Request(s), New Service Customer's allocated share of the estimated cost of the revised Facilities Study, determined in accord with Section 206 of the PJM Tariff.
 - C. In the event that New Service Customer's revised cost responsibility exceeds the sum of its previous deposits for the Facilities Study, it shall deliver to Transmission Provider, within 10 days after New Service Customer's receipt of its revised cost responsibility, an additional cash deposit equal to the amount of the excess. If New Service Customer fails timely to provide an additional deposit that is required under this section, its New Service Request shall be deemed terminated and withdrawn as of the date by which its additional deposit was due. In the event that New Service Customer's revised cost responsibility under the notice described in this section is less than the sum of its previous deposits for the Facilities Study, Transmission Provider shall return to New Service Customer, with its notice of the revised cost responsibility, the amount of the difference.

16. A. If the Facilities Study includes New Service Customer's New Service Request(s) only, New Service Customer may terminate its participation in the study at any time by providing written notice of termination to Transmission Provider. New Service Customer's notice of termination (1) shall be effective as of the end of the business day following the day that Transmission Provider receives such notice and (2) concurrently shall have the effect of terminating and withdrawing New Service Customer's New Service Request(s). New Service Customer will be responsible for all costs of the Facilities Study that Transmission Provider incurred prior to the effective date of the notice of termination. Within thirty (30) days after the effective date of New Service Customer's notice of termination, Transmission Provider will deliver to New Service Customer a statement of New Service Customer's responsibility for the costs of the Facilities Study incurred up to the date of termination. In the event that New Service Customer's cost responsibility as of the date of termination exceeds the sum of its deposits then held by Transmission Provider for the Facilities Study, Transmission Provider's statement will include an invoice in the amount of such excess. New Service Customer will pay that invoice within ten (10) days after it receives it. In the event that New Service Customer does not pay the invoice within ten (10) days after receipt, New Service Customer shall owe the invoice amount plus interest at the applicable rate prescribed in 18 C.F.R. § 35.19a (a)(2)(iii), accrued from the day after the date payment was due until the date of payment. In the event that New Service Customer's cost responsibility as of the date of termination was less than the sum of its deposits for the Facilities Study, Transmission Provider's statement will include a payment to New Service Customer in the amount of the difference.
- B. If the Facilities Study includes any New Service Request(s) other than that (those) of New Service Customer, termination and withdrawal of New Service Customer's New Service Request(s) at any time after Transmission Provider has commenced the Facilities Study will not alter New Service Customer's responsibility for the costs of the Facilities Study under this Agreement and the PJM Tariff.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

17. In analyzing and preparing the Facilities Study, Transmission Provider, the Transmission Owners, and any other subcontractors employed by Transmission Provider shall have to rely on information provided by New Service Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNERS, NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY. New Service Customer acknowledges that it has not relied on any representations or warranties not

specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.

18. In no event will Transmission Provider, the Transmission Owners or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Facilities Study Agreement or the Facilities Study, even if Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider be liable for any delay in delivery, or for the non-performance or delay in performance, of Transmission Provider's obligations under this Agreement.

Without limitation of the foregoing, New Service Customer further agrees that the Transmission Owners and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Facilities Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

19. Any notice or request made to or by either party regarding this Facilities Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

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

New Service Customer

20. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
21. This Agreement or any part thereof, may not be amended, modified, assigned or waived other than by a writing signed by all parties hereto.
22. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
23. Neither this Agreement nor the Facilities Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.

24. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
25. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the PJM Tariff.
26. This Facilities Study Agreement shall be effective as of the date of the New Service Customer's execution of it and shall remain in effect until the earlier of (a) the date on which the Transmission Provider tenders the completed Facilities Study and, as applicable, a proposed Interconnection Service Agreement or Upgrade Construction Service Agreement to New Service Customer pursuant to Section 212 or Section 213, respectively, of the PJM Tariff, or (b) termination and withdrawal of the New Service Request(s) to which the Facilities Study hereunder relates.
27. **No Third-Party Beneficiaries**
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
28. **Multiple Counterparts**
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
29. **No Partnership**
This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.
30. **Severability**
If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
31. **Governing Law, Regulatory Authority, and Rules**
For Interconnection Requests, the validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and

Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

32. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, Transmission Provider and the New Service Customer have caused this Facilities Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

New Service Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

Schedule A
Details of Design and Cost Estimates/Quality
For the Facilities Study

[insert details regarding degree of accuracy of cost estimates and associated scope of design as mutually agreed by Transmission Provider and New Service Customer]

ATTACHMENT N-3

FORM OF

OPTIONAL INTERCONNECTION STUDY AGREEMENT

(PJM Queue Position #___)

THIS AGREEMENT is made and entered into this ___ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and _____, a _____ existing under the laws of the State of _____, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties”.

RECITALS

WHEREAS, Interconnection Customer is proposing to develop or expand a generating facility or Merchant Transmission Facilities consistent with the Interconnection Request submitted by the Interconnection Customer dated _____ and designated as project [Queue Position].

WHEREAS, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

WHEREAS, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

WHEREAS, on or after the date when the Interconnection Customer receives the System Impact Study results, Interconnection Customer has further requested that the Transmission Provider prepare an Optional Interconnection Study;

NOW THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. when used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in the PJM Interconnection L.L.C. Open Access Transmission Tariff (“Tariff”).
2. Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 209 of the Tariff to be performed in accordance with the Tariff.
3. The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
4. The Optional Interconnection Study shall be performed solely for informational purposes.

5. The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by the Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify the Attachment Facilities, Local Upgrade and Network Upgrades, and the estimated cost thereof, that may be required to provide Interconnection Service based upon the assumptions specified by the Interconnection Customer in Attachment A.
6. The Interconnection Customer shall provide an initial deposit of \$10,000 for the performance of the Optional Interconnection Study. The Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date]. Within 45 days after Transmission Provider completes the Optional Interconnection Study, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's cost responsibility under this Agreement and the PJM Tariff for the actual cost of the Optional Interconnection Study and (b) Interconnection Customer's aggregate payments hereunder, including its deposits.

Upon delivery of the Optional Interconnection Study, the Transmission Provider shall charge and the Interconnection Customer shall pay the actual costs of the Optional Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

7. In analyzing and preparing the Optional Study, Transmission Provider, the Transmission Owners, and any other subcontractors employed by Transmission Provider shall have to rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNERS, NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE OPTIONAL INTERCONNECTION STUDY. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
8. In no event will Transmission Provider, the Transmission Owners or other subcontractors employed by Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Optional Interconnection Study Agreement or the Optional Interconnection Study, even if Transmission Provider, the Transmission Owners, or other subcontractors employed by Transmission Provider have been advised of the possibility of such a loss. Nor shall Transmission Provider, the Transmission Owners, or other

subcontractors employed by Transmission Provider be liable for any delay in delivery, or for the non-performance or delay in performance, of Transmission Provider's obligations under this Agreement.

Without limitation of the foregoing, Interconnection Customer further agrees that the Transmission Owners and other subcontractors employed by Transmission Provider to prepare or assist in the preparation of any Optional Interconnection Study shall be deemed third party beneficiaries of this section 8.

MISCELLANEOUS

9. Any notice or request made to or by either party regarding this Optional Interconnection Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider

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

Interconnection Customer

10. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
11. This Agreement or any part thereof, may not be amended, modified, assigned or waived other than by a writing signed by all parties hereto.
12. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
13. Neither this Agreement nor the Optional Interconnection Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
14. The provisions of Part VI of the PJM Tariff are incorporated herein and made a part hereof.
15. This Optional Interconnection Study Agreement shall be effective as of the date of the Interconnection Customer's execution of it and shall remain in effect until the earlier of (a) completion and final payment for the Optional Interconnection Study or (b)

termination and withdrawal of the Interconnection Request(s) to which the Optional Interconnection Study hereunder relates.

16. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

17. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

18. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

19. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority 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, the other Party.

20. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

21. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in

which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

IN WITNESS WHEREOF, Transmission Provider and the Interconnection Customer have caused this Optional Interconnection Study Agreement to be executed by their respective authorized officials.

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed Name

Interconnection Customer: [Name of Party]

By: _____
Name Title Date

Printed Name

**FORM OF
INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM Interconnection, L.L.C.**

And

[Name of Interconnection Customer]

And

[Name of Interconnected Transmission Owner]

(PJM Queue Position #__)

- 1.0 Parties. This Interconnection Service Agreement (“ISA”) including the Specifications, Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C., the Regional Transmission Organization for the PJM Region (hereinafter “Transmission Provider” or “PJM”), _____ (“Interconnection Customer” [OPTIONAL: or “[short name]”]) and _____ (“Interconnected Transmission Owner” [OPTIONAL: or “[short name]”]). All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the PJM Open Access Transmission Tariff (“Tariff”). [Use as/when applicable: This ISA supersedes the _____ {insert details to identify the agreement being superseded, such as whether it is an Interim Interconnection Service Agreement, Interconnection Service Agreement, or Interconnection Agreement, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}]]
- 2.0 Authority. This ISA is entered into pursuant to Part VI of the Tariff. Interconnection Customer has requested an Interconnection Service Agreement under the Tariff, and Transmission Provider has determined that Interconnection Customer is eligible under the Tariff to obtain this ISA. The standard terms and conditions for interconnection as set forth in Appendix 2 to this ISA are hereby specifically incorporated as provisions of this ISA. Transmission Provider, Interconnected Transmission Owner and Interconnection Customer agree to and assume all of the rights and obligations of the Transmission Provider, Interconnected Transmission Owner and Interconnection Customer, respectively, as set forth in Appendix 2 to this ISA.
- 3.0 Customer Facility Specifications. Attached are Specifications for the Customer Facility that Interconnection Customer proposes to interconnect with the Transmission System. Interconnection Customer represents and warrants that, upon completion of construction of such facilities, it will own or control the Customer Facility identified in section 1.0 of the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the Customer Facility, Interconnection Customer represents and warrants that it is authorized by the owner(s) thereof to enter into this ISA and to represent such control.
- 4.0 Effective Date. Subject to any necessary regulatory acceptance, this ISA shall become effective on the date it is executed by all Interconnection Parties, or, if the agreement is

filed with FERC unexecuted, upon the date specified by FERC. This ISA shall terminate on such date as mutually agreed upon by the parties, unless earlier terminated in accordance with the terms set forth in Appendix 2 to this ISA. The term of the ISA shall be as provided in Section 1.3 of Appendix 2 to this ISA. Interconnection Service shall commence as provided in Section 1.2 of Appendix 2 to this ISA.

- 5.0 Security. In accord with Section 212.4 of the Tariff, Interconnection Customer shall provide the Transmission Provider (for the benefit of the Interconnected Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to the Transmission Provider and that names the Transmission Provider as beneficiary (“Security”) in the amount of \$_____. This amount represents the sum of the estimated Costs, determined in accordance with Sections 212 and 217 of the Tariff, for which the Interconnection Customer will be responsible, less any Costs already paid by Interconnection Customer. Interconnection Customer acknowledges that its ultimate cost responsibility in accordance with Section 217 of the Tariff will be based upon the actual Costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section.

[Include the following if Interconnection Customer requests deferral of the security as provided for in Section 212.4(c) of the Tariff:

For any portion of the security that may be deferred in accordance with Section 212.4(c) of the Tariff, and as requested by Interconnection Customer, Interconnection Customer shall provide the security specified in this Section 5.0 within 120 days after the Interconnection Customer executes this ISA, provided that Interconnection Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.]

Should Interconnection Customer fail to provide security at the time the Interconnection Customer executes this ISA, or, if deferred, by the end of the 120-day period, this ISA shall be terminated.

- 6.0 Project Specific Milestones. In addition to the milestones stated in Section 212.5 of the Tariff, as applicable, during the term of this ISA, Interconnection Customer shall ensure that it meets each of the following development milestones:

[Specify Project Specific Milestones]

[As appropriate include the following standard Milestones, with any revisions necessary for the project at hand:

- 6.1 Substantial Site work completed. On or before _____ Interconnection Customer must demonstrate completion of at least 20% of project site construction. At this time, Interconnection Customer must submit to Interconnected Transmission Owner and Transmission Provider initial drawings, certified by a professional engineer, of the Customer Interconnection Facilities.
- 6.2 Delivery of major electrical equipment. On or before _____, Interconnection Customer must demonstrate that ___ generating units have been delivered to Interconnection Customer's project site.
- 6.3 Commercial Operation. (i) On or before _____, Interconnection Customer must demonstrate commercial operation of ___ generating units; (ii) On or before _____, Interconnection Customer must demonstrate commercial operation of ___ additional generating units. Demonstrating commercial operation includes achieving Initial Operation in accordance with Section 1.4 of Appendix 2 to this ISA and making commercial sales or use of energy, as well as, if applicable, obtaining capacity qualification in accordance with the requirements of the Reliability Assurance Agreement Among Load Serving Entities in the PJM Region.
- [if a specific situation requires a CSA by a certain date then use the following: Interconnection Construction Service Agreement. On or before _____, Interconnection Customer must have either (a) executed an Interconnection Construction Service Agreement for Interconnection Facilities for which Interconnection Customer has cost responsibility; (b) requested dispute resolution under Section 12 of the PJM Tariff, or if concerning the Regional Transmission Expansion Plan, consistent with Schedule 5 of the Operating Agreement; or (c) requested that the Transmission Provider file the Interconnection Construction Service Agreement unexecuted with the Commission.]
- 6.4 Within one (1) month following commercial operation of generating unit(s), Interconnection Customer must provide certified documentation demonstrating that "as-built" Customer Facility and Customer Interconnection Facilities are in accordance with applicable PJM studies and agreements. Interconnection Customer must also provide PJM with "as-built" electrical modeling data or confirm that previously submitted data remains valid.

[Add Additional Project Specific Milestones as appropriate]

Interconnection Customer shall demonstrate the occurrence of each of the foregoing milestones to Transmission Provider's reasonable satisfaction. Transmission Provider may reasonably extend any such milestone dates, in the event of delays that Interconnection Customer (i) did not cause and (ii) could not have remedied through the exercise of due diligence. The milestone dates stated in this ISA shall be deemed to be extended coextensively with any suspension of work initiated by Interconnection Customer in accordance with the Interconnection Construction Service Agreement.

- 7.0 Provision of Interconnection Service. Transmission Provider and Interconnected Transmission Owner agree to provide for the interconnection to the Transmission System in the PJM Region of Interconnection Customer's Customer Facility identified in the Specifications in accordance with Part IV and Part VI of the Tariff, the Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), and this ISA, as they may be amended from time to time.
- 8.0 Assumption of Tariff Obligations. Interconnection Customer agrees to abide by all rules and procedures pertaining to generation and transmission in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation or scheduling transmission set forth in the Tariff, the Operating Agreement and the PJM Manuals.
- 9.0 Facilities Study. In analyzing and preparing the [Facilities Study] [System Impact Study {if a Facilities Study was not required}], and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(s), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF A FACILITIES STUDY WAS NOT REQUIRED OR OF THE ATTACHMENT FACILITIES, THE LOCAL UPGRADES AND/OR THE NETWORK UPGRADES, PROVIDED, HOWEVER, that Transmission Provider warrants that the Transmission Owner Interconnection Facilities and any Merchant Transmission Upgrades described in the Specifications will be designed and constructed (to the extent that Interconnected Transmission Owner is responsible for design and construction thereof) and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.0 Construction of Transmission Owner Interconnection Facilities
- 10.1. Cost Responsibility. Interconnection Customer shall be responsible for and shall pay upon demand all Costs associated with the interconnection of the Customer Facility as specified in the Tariff. These Costs may include, but are not limited to,

an Attachment Facilities charge, a Local Upgrades charge, a Network Upgrades charge and other charges, as well as Costs of any Merchant Network Upgrades constructed on behalf of Interconnection Customer. A description of the facilities required and an estimate of the Costs of these facilities are included in Sections 3.0 and 4.0 of the Specifications to this ISA.

- 10.2. Billing and Payments. Transmission Provider shall bill the Interconnection Customer for the Costs associated with the facilities contemplated by this ISA, estimates of which are set forth in the Specifications to this ISA, and the Interconnection Customer shall pay such Costs, in accordance with Section 11 of Appendix 2 to this ISA and the applicable Interconnection Construction Service Agreement. Upon receipt of each of Interconnection Customer's payments of such bills, Transmission Provider shall reimburse the applicable Interconnected Transmission Owner. Pursuant to Section 212.4 of the Tariff, Interconnection Customer requests that Transmission Provider provide a quarterly cost reconciliation:

_____ Yes

_____ No

- 10.3. Contract Option. In the event that the Interconnection Customer and Interconnected Transmission Owner agree to utilize the Negotiated Contract Option provided by the Interconnection Construction Service Agreement to establish, subject to FERC acceptance, non-standard terms regarding cost responsibility, payment, billing and/or financing, the terms of Sections 10.1 and/or 10.2 of this Section 10.0 shall be superseded to the extent required to conform to such negotiated terms, as stated in a schedule attached to the parties' Interconnection Construction Service Agreement relating to interconnection of the Customer Facility.

- 10.4 In the event that the Interconnection Customer elects to construct some or all of the Transmission Owner Interconnection Facilities and/or of any Merchant Network Upgrades under the Option to Build of the Interconnection Construction Service Agreement, billing and payment for the Costs associated with the facilities contemplated by this ISA shall relate only to such portion of the Interconnection Facilities and/or any Merchant Network Upgrades as the Interconnected Transmission Owner is responsible for building.

11.0 Interconnection Specifications

- 11.1 Point of Interconnection. The Point of Interconnection shall be as identified on the one-line diagram attached as Schedule B to this ISA.

11.2 List and Ownership of Interconnection Facilities. The Interconnection Facilities to be constructed and ownership of the components thereof are identified in Section 3.0 of the Specifications attached to this ISA.

11.2A List and Ownership of Merchant Network Upgrades. If applicable, Merchant Network Upgrades to be constructed and ownership of the components thereof are identified in Section 3.0 of the Specifications attached to this ISA.

11.3 Ownership and Location of Metering Equipment. The Metering Equipment to be constructed, the capability of the Metering Equipment to be constructed, and the ownership thereof, are identified on the attached Schedule C to this ISA.

11.4 Applicable Technical Standards. The Applicable Technical Requirements and Standards that apply to the Customer Facility and the Interconnection Facilities are identified in Schedule D to this ISA.

12.0 Power Factor Requirement.

Consistent with Section 4.7 of Appendix 2 to this ISA, the power factor requirement is as follows:

[For Generation Interconnection Customers]

{The following language should be included for new large and small synchronous generation facilities that will have the Tariff specified power factor. This section does not apply if the Interconnection Request is for an incremental increase in generating capability.}

The Interconnection Customer shall design its Customer Facility with the ability to maintain a power factor of at least 0.95 leading to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

{Include the appropriate alternative from the language below for new wind or non-synchronous generation facilities. This section does not apply if the Interconnection Request is for an incremental increase in generating capability.}

The result of the System Impact Study indicated that, for the safety and reliability of the Transmission System, no power factor requirement is required for the [wind-powered] [non-synchronous] Customer Facility.

{or}

The results of the System Impact Study require that, for the safety or reliability of the Transmission System, the Generation Interconnection Customer shall design its [wind-powered] [non-synchronous] Customer Facility with the ability to maintain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection.

{include the following language if the Interconnection Request is for an incremental increase in capacity or energy output to a synchronized generation facility}

The existing ___ MW portion of the Customer Facility shall retain its existing ability to maintain a power factor of at least 0.95 leading to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

The increase of ___ MW to the Customer Facility associated with this ISA shall be designed with the ability to maintain a power factor of at least 1.0 (unity) to 0.90 lagging measured at the [generator's terminals] [Point of Interconnection].

{Include the appropriate alternative from the language below for Interconnection Requests for an incremental increase in capacity or energy output to all wind or non-synchronized generation facility.}

The results of the System Impact Study indicate that, for the safety or reliability of the Transmission System, no power factor requirement is necessary for the [existing ___ MW or the increase of ___ MW associated with this ISA] [increase of ___ MW associated with this ISA, but that the existing ___ MW of the Customer Facility must retain its ability to retain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection] [existing ___ MW of the Customer Facility but that the increase of ___ MW associated with this ISA must be designed with the ability to maintain a power factor requirement of 1.0 (unity) to 0.90 lagging measured at the Point of Interconnection].

{or}

The results of the System Impact Study indicate that, for the safety or reliability of the Transmission System, (i) the existing ___ MW portion of the Customer Facility shall retain its existing ability to maintain a power factor of at least 0.95 leading to 0.95 lagging measured at the Point of Interconnection and (ii) the increase of ___ MW to the Customer Facility associated with this ISA shall be designed with the ability to maintain a power factor of at least 1.0 (unity) to 0.95 lagging measured at the Point of Interconnection.

[For Transmission Interconnection Customers]

{The following language should be included only for new Merchant Transmission Facilities}

Transmission Interconnection Customer shall design its Merchant D.C. Transmission Facilities and/ or Controllable A.C. Merchant Transmission Facilities, to maintain a power factor at the Point of Interconnection of at least 0.95 leading and 0.95 lagging, when such Customer Facility is operating at any level within its approved operating range.

[Include section 12A.0 only when applicable, i.e., only for a facility for which Transmission Provider and Interconnected Transmission Owner deem an RTU (or equivalent) to be unnecessary]

- 12A.0 RTU. In accordance with Section 8.5.2 of Appendix 2 to this ISA, that provision's requirement for installation of a remote terminal unit or equivalent data collection and transfer equipment is hereby waived for purposes of this ISA.
- 13.0 Charges. In accordance with Sections 10 and 11 of Appendix 2 to this ISA, the Interconnection Customer shall pay to the Transmission Provider the charges applicable after Initial Operation, as set forth in Schedule E to this ISA. Promptly after receipt of such payments, the Transmission Provider shall forward such payments to the appropriate Interconnected Transmission Owner.
- 14.0 Third Party Beneficiaries. No third party beneficiary rights are created under this ISA, except, however, that, subject to modification of the payment terms stated in Section 10 of this ISA pursuant to the Negotiated Contract Option, payment obligations imposed on Interconnection Customer under this ISA are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner(s). Interconnection Customer expressly agrees that the Interconnected Transmission Owner(s) shall be entitled to take such legal recourse as it deems appropriate against Interconnection Customer for the payment of any Costs or charges authorized under this ISA or the Tariff with respect to Interconnection Service for which Interconnection Customer fails, in whole or in part, to pay as provided in this ISA, the Tariff and/or the Operating Agreement.
- 15.0 Waiver. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 16.0 Amendment. This ISA or any part thereof, may not be amended, modified, or waived other than by a written document signed by all parties hereto.
- 17.0 Construction With Other Parts Of The Tariff. This ISA shall not be construed as an application for service under Part II or Part III of the Tariff.
- 18.0 Notices. Any notice or request made by either party regarding this ISA shall be made, in accordance with the terms of Appendix 2 to this ISA, to the representatives of the other party and as applicable, to the Interconnected Transmission Owner(s), as indicated below:

Transmission Provider:

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

Interconnection Customer:

Interconnected Transmission Owner:

- 19.0 Incorporation Of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject matter of this ISA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.
- 20.0 Addendum of Non-Standard Terms and Conditions for Interconnection Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in Schedule F hereto are hereby incorporated herein by reference and be made a part of this ISA. In the event of any conflict between a provision of Schedule F that FERC has accepted and any provision of Appendix 2 to this ISA that relates to the same subject matter, the pertinent provision of Schedule F shall control.
- 21.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 24.1 of Appendix 2 to this ISA, Schedule G to this ISA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.
- 22.0 Addendum of Interconnection Requirements for a Wind Generation Facility. To the extent required, Schedule H to this ISA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this ISA.
- 23.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this ISA to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed name of signer: _____

Interconnection Customer: **[Name of Party]**

By: _____
Name Title Date

Printed name of signer: _____

Interconnected Transmission Owner: **[Name of Party]**

By: _____
Name Title Date

Printed name of signer: _____

**SPECIFICATIONS FOR
INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM INTERCONNECTION, L.L.C.**

And

_____[Name of Interconnection Customer]

And

_____[Name of Interconnected Transmission Owner]

(PJM Queue Position # ____)

1.0 Description of [generating unit(s)] [Merchant Transmission Facilities] (the Customer Facility) to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility:

b. Location of Customer Facility:

c. Size in megawatts of Customer Facility:

{The following language should be included only for generating units

For Generation Interconnection Customer:

Maximum Facility Output of _____MW}

{The following language applies when a Generation Interconnection Request involves an increase of the capacity of an existing generating facility:

The stated size of the generating unit includes an increase in the Maximum Facility Output of the generating unit of ____ MW over Interconnection Customer's previous interconnection. This increase is a result of the Interconnection Request associated with this Interconnection Service Agreement.}

{The following language should be included only for Merchant Transmission Facilities

For Transmission Interconnection Customer:

Nominal Rated Capability: _____MW}

d. Description of the equipment configuration:

2.0 Rights

[for Generation Interconnection Customers]

2.1 Capacity Interconnection Rights: {this section will not apply if the Customer Facility is exclusively an Energy Resource and thus is granted no CIRs; see alternate section 2.1 below}

Pursuant to and subject to the applicable terms of the Tariff, the Interconnection Customer shall have Capacity Interconnection Rights at the Point(s) of Interconnection specified in this Interconnection Service Agreement in the amount of ____ MW. {Instructions: this number is the total of the Capacity Interconnection Rights that are granted as a result of the Interconnection Request, plus any prior Capacity Interconnection Rights}

{include the following language to the extent applicable for interconnection of additional generation at an existing generating facility:}

The amount of Capacity Interconnection Rights specified above (____ MW) includes ____ MW of Capacity Interconnection Rights that the Interconnection Customer had at the same Point(s) of Interconnection prior to its Interconnection Request associated with this Interconnection Service Agreement, and ____MW of Capacity Interconnection Rights granted as a result of such Interconnection Request.

{include the following language when the CIRs are only interim and have a termination date or event:}

Interconnection Customer shall have ____ MW of Capacity Interconnection Rights for the time period from ____ to _____. These Capacity Interconnection Rights are interim and will terminate upon {explain circumstances -- e.g. interim agreement; completion of another facility, etc.}

2.1a To the extent that any portion of the Customer Facility described in section 1.0 is not a Capacity Resource with Capacity Interconnection Rights, such portion of the Customer Facility shall be an Energy Resource. PJM reserves the right to limit

total injections to the Maximum Facility Output in the event reliability would be affected by output greater than such quantity.

{this version of section 2.1 will be used in lieu of section 2.1 above when a generating facility will be an Energy Resource and therefore will not be granted any CIRs:}

[2.1 The generating unit(s) described in section 1.0 shall be an Energy Resource. Pursuant to this Interconnection Service Agreement, the generating unit will be permitted to inject ____ MW (nominal) into the system. PJM reserves the right to limit injections to this quantity in the event reliability would be affected by output greater than such quantity.]

[for Transmission Interconnection Customers]

- 2.1 Transmission Injection Rights: [applicable only to Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that interconnect with a control area outside PJM]

Pursuant to Section 232 of the Tariff, Interconnection Customer shall have Transmission Injection Rights at each indicated Point of Interconnection in the following quantity(ies):

- 2.2 Transmission Withdrawal Rights: [applicable only to Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities that interconnect with a control area outside PJM]

Pursuant to Section 232 of the Tariff, Interconnection Customer shall have Transmission Withdrawal Rights at each indicated Point of Interconnection in the following quantity(ies):

[Include Section 2.2A only if customer is interconnecting Controllable A.C. Merchant Transmission Facilities]

- 2.2A Interconnection Customer is interconnecting Controllable A.C. Merchant Transmission Facilities as defined in the appended Section 1.6B of the Tariff, and has elected, pursuant to the appended Section 41.1 of the Tariff, to receive Transmission Injection Rights and Transmission Withdrawal Rights in lieu of the other applicable rights for which it may be eligible under Subpart C of Part VI of the Tariff. Accordingly, Interconnection Customer hereby agrees that the Transmission Injection Rights and Transmission Withdrawal Rights awarded to it pursuant to the Tariff and this ISA are, and throughout the duration of this ISA shall be, conditioned on Interconnection Customer's continuous operation of its Controllable A.C. Merchant Transmission Facilities in a controllable manner, i.e., in a manner effectively the same as operation of D.C. transmission facilities.

- 2.3 Incremental Deliverability Rights:

Pursuant to Section 235 of the Tariff, Interconnection Customer shall have Incremental Deliverability Rights at each indicated Point of Interconnection in the following quantity(ies):

2.4 Incremental Available Transfer Capability Revenue Rights:

Pursuant to Section 233 of the Tariff, Interconnection Customer shall have Incremental Available Transfer Capability Revenue Rights at each indicated Point of Interconnection in the following quantities:

2.5 Incremental Auction Revenue Rights:

Pursuant to Section 231 of the Tariff, Interconnection Customer shall have Incremental Auction Revenue Rights in the following quantities:

2.6 Incremental Capacity Transfer Rights:

Pursuant to Section 234 of the Tariff, Interconnection Customer shall have Incremental Capacity Transfer Rights between the following associated source(s) and sink(s) in the indicated quantities:

3.0 Construction Responsibility and Ownership of Interconnection Facilities

a. Interconnection Customer.

(1) Interconnection Customer shall construct and, unless otherwise indicated, shall own, the following Interconnection Facilities:

[Specify Facilities To Be Constructed]

(2) In the event that, in accordance with the Interconnection Construction Service Agreement, Interconnection Customer has exercised the Option to Build, it is hereby permitted to build in accordance with and subject to the conditions and limitations set forth in that Section, the following portions (1) of the Transmission Owner Interconnection Facilities and/or (2) of any Merchant Network Upgrades which constitute or are part of the Customer Facility:

[Specify Facilities To Be Constructed]

Ownership of the facilities built by Interconnection Customer pursuant to the Option to Build shall be as provided in the Interconnection Construction Service Agreement.

b. Interconnected Transmission Owner {or Name of Interconnected Transmission Owner if more than one Interconnected Transmission Owner}

[Specify Facilities To Be Constructed and Owned]

- c. [if applicable, include the following][Name of any additional Transmission Owner constructing facilities with which Interconnection Customer and Transmission Provider will also execute an Interconnection Construction Service Agreement]

[Specify Facilities To Be Constructed and Owned]

- 4.0 Subject to modification pursuant to the Negotiated Contract Option and/or the Option to Build under the Interconnection Construction Service Agreement, Interconnection Customer shall be subject to the estimated charges detailed below, which shall be billed and paid in accordance with Appendix 2, Section 11 of this ISA and the applicable Interconnection Construction Service Agreement.

4.1 Attachment Facilities Charge: \$_____

[Optional: Provide Charge and Identify Interconnected Transmission Owner]

4.2 Network Upgrades Charge: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.3 Local Upgrades Charge: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.4 Other Charges: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.5 Cost of Merchant Network Upgrades: \$_____

[Optional: Provide Breakdown of Charge Based on Interconnected Transmission Owner responsibilities]

4.6 Cost breakdown:

\$ Direct Labor
\$ Direct Material
\$ Indirect Labor
\$ Indirect Material

[Additional items for breakdown as necessary]

\$ Total

4.7 Security Amount Breakdown:

 \$ Estimated Cost of Non-Direct Connection Local Upgrades and/or
Non-Direct Connection Network Upgrades

plus \$ Estimated Cost of any Merchant Network Upgrades that
Interconnected Transmission Owner is responsible for building

plus \$ Estimated cost of the work (for the first three months) on the
required Attachment Facilities, Direct Connection Local Upgrades, and Direct
Connection Network Upgrades

plus \$ Option to Build Security for Attachment Facilities, Direct
Connection Local Upgrades, and Direct Connection Network Upgrades (including
Cancellation Costs)

less \$ Costs already paid by Interconnection Customer

 \$ Total Security required with ISA

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD TERMS AND CONDITIONS FOR INTERCONNECTIONS**

SCHEDULES:

- **SCHEDULE A - CUSTOMER FACILITY LOCATION/SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM**
- **SCHEDULE C - LIST OF METERING EQUIPMENT**
- **SCHEDULE D - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE E - SCHEDULE OF CHARGES**
- **SCHEDULE F - SCHEDULE OF NON-STANDARD TERMS & CONDITIONS**
- **SCHEDULE G - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE H - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

ATTACHMENT O-1
FORM OF
INTERIM INTERCONNECTION SERVICE AGREEMENT

By and Among
PJM Interconnection, L.L.C.
and

and

(PJM Queue Position #____)

- 1.0 This Interim Interconnection Service Agreement (“Interim ISA”), including the Specifications attached hereto and incorporated herein, is entered into by and among PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”), [_____] (“Interconnection Customer” [OPTIONAL: or [“short name”]]), and [_____] (“Interconnected Transmission Owner” [OPTIONAL: or [“short name”]]). [Use as/when applicable: This Interim ISA supersedes the _____ {insert details to identify the agreement being superseded, such as whether it is an Interim Interconnection Service Agreement, Interconnection Service Agreement, or Interconnection Agreement, the effective date of the agreement, the service agreement number designation, and the FERC docket number, if applicable, for the agreement being superseded.}]]
- 2.0 Attached are Specifications for the Customer Facility that Interconnection Customer proposes to interconnect to the Transmission Provider’s Transmission System. Interconnection Customer represents and warrants that, upon completion of their construction, it will own or control the facilities identified in the Specifications attached hereto and made a part hereof. In the event that Interconnection Customer will not own the facilities, Interconnection Customer represents and warrants that it is authorized by the owners of such facilities to enter into this Interim ISA and to represent such control.
- 3.0 In order to advance the completion of its interconnection under the PJM Open Access Transmission Tariff (“Tariff”), Interconnection Customer has requested an Interim ISA and Transmission Provider has determined that Interconnection Customer is eligible under the Tariff to obtain this Interim ISA.
- 4.0 (a) In accord with Section 211 of the Tariff, Interconnection Customer, on or before the effective date of this Interim ISA, shall provide Transmission Provider (for the benefit of the Interconnected Transmission Owner) with a letter of credit from an agreed provider or other form of security reasonably acceptable to Transmission Provider in the amount of \$ _____, which amount equals the estimated costs, determined in

accordance with Section 217 of the Tariff, of acquiring, designing, constructing and/or installing the facilities described in section 3.0 of the Attached Specifications. Should Interconnection Customer fail to provide such security in the amount or form required, this Interim ISA shall be terminated. Interconnection Customer acknowledges (1) that it will be responsible for the actual costs of the facilities described in the Specifications, whether greater or lesser than the amount of the payment security provided under this section, and (2) that the payment security under this section does not include any additional amounts that it will owe in the event that it executes a final Interconnection Service Agreement, as described in section 7.0(a) below.

(b) Interconnection Customer acknowledges (1) that the purpose of this Interim ISA is to expedite, at Interconnection Customer's request, the acquisition, design, construction and/or installation of certain materials and equipment, as described in the Specifications, necessary to interconnect its proposed facilities with Transmission Provider's Transmission System; and (2) that Transmission Provider's Interconnection Studies related to such facilities have not been completed, but that the [identify completed feasibility and/or system impact study(ies)], dated [_____], that included Interconnection Customer's project sufficiently demonstrated, in Interconnection Customer's sole opinion, the necessity of facilities additions to the Transmission System to accommodate Interconnection Customer's project to warrant, in Interconnection Customer's sole judgment, its request that the Interconnected Transmission Owner acquire, design, construct and/or install the equipment indicated in the Specifications for use in interconnecting Interconnection Customer's project with the Transmission System.

- 5.0 This Interim ISA shall be effective on the date it is executed by all Interconnection Parties and shall terminate upon the execution and delivery by Interconnection Customer and Transmission Provider of the final Interconnection Service Agreement described in section 7.0(a) below, or on such other date as mutually agreed upon by the parties, unless earlier terminated in accordance with the Tariff.
- 6.0 In addition to the milestones stated in Section 212.5 of the Tariff, during the term of this Interim ISA, Interconnection Customer shall ensure that its generation project meets each of the following development milestones:

[SPECIFY MILESTONES]

OR

[NOT APPLICABLE FOR THIS INTERIM ISA]

OR

[MILESTONE REQUIREMENTS WILL BE SPECIFIED IN THE FURTHER INTERCONNECTION SERVICE AGREEMENT DESCRIBED IN SECTION 7.0(a)]

- 7.0 (a) Transmission Provider and the Interconnected Transmission Owner agree to provide for the acquisition, design, construction and/or installation of the facilities identified, and to the extent described, in Section 3.0 of the Specifications in accordance with Part IV of the Tariff, as amended from time to time, and this Interim ISA. Except to the extent for which the Specifications provide for interim interconnection rights for the Interconnection Customer, the parties agree that (1) this Interim ISA shall not provide for or authorize Interconnection Service for the Interconnection Customer, and (2) Interconnection Service will commence only after Interconnection Customer has entered into a final Interconnection Service Agreement with Transmission Provider and the Interconnection Transmission Owner (or, alternatively, has exercised its right to initiate dispute resolution or to have the final Interconnection Service Agreement filed with the FERC unexecuted) after completion of the Facilities Study related to Interconnection Customer's Interconnection Request and otherwise in accordance with the Tariff. The final Interconnection Service Agreement may further provide for construction of, and payment for, transmission facilities additional to those identified in the attached Specifications. Should Interconnection Customer fail to enter into such final Interconnection Service Agreement (or, alternatively, to initiate dispute resolution or request that the agreement be filed with the FERC unexecuted) within the time prescribed by the Tariff, Transmission Provider shall have the right, upon providing written notice to Interconnection Customer, to terminate this Interim ISA.
- (b) In the event that Interconnection Customer decides not to interconnect its proposed facilities, as described in Section 1.0 of the Specifications to the Transmission System, it shall immediately give Transmission Provider written notice of its determination. Interconnection Customer shall be responsible for the Costs incurred pursuant to this Interim ISA by Transmission Provider and/or by the Interconnected Transmission Owner (1) on or before the date of such notice, and (2) after the date of such notice, if the costs could not reasonably be avoided despite, or were incurred by reason of, Interconnection Customer's determination not to interconnect. Interconnection Customer's liability under the preceding sentence shall include all Cancellation Costs in connection with the acquisition, design, construction and/or installation of the facilities described in section 3.0 of the Specifications. In the event the Interconnected Transmission Owner incurs Cancellation Costs, it shall provide the Transmission Provider, with a copy to the Interconnection Customer, with a written demand for payment and with reasonable documentation of such Cancellation Costs. Within 60 days after the date of Interconnection Customer's notice, Transmission Provider shall provide an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (i) Interconnection Customer's cost responsibility under this Interim ISA and the Tariff for Costs, including Cancellation Costs, of the facilities described in section 3.0 of the Specifications and (ii) Interconnection Customer's previous payments under this Interim ISA. Notwithstanding the foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.

This Interim ISA shall be deemed to be terminated upon completion of all payments required under this paragraph (b).

(c) Disposition of the facilities related to this Interim ISA after receipt of Interconnection Customer's notice of its determination not to interconnect shall be decided in accordance with Section 211.1 of the Tariff.

- 8.0 Interconnection Customer agrees to abide by all rules and procedures pertaining to generation in the PJM Region, including but not limited to the rules and procedures concerning the dispatch of generation set forth in the Operating Agreement and the PJM Manuals.
- 9.0 In analyzing and preparing the Facilities Study or the System Impact Study if no Facilities Study is required, and in designing and constructing the Attachment Facilities, Local Upgrades and/or Network Upgrades described in the Specifications attached to this Interim ISA, Transmission Provider, the Interconnected Transmission Owner(s), and any other subcontractors employed by Transmission Provider have had to, and shall have to, rely on information provided by Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER TRANSMISSION PROVIDER, THE INTERCONNECTED TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY TRANSMISSION PROVIDER OR INTERCONNECTED TRANSMISSION OWNER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FACILITIES STUDY OR THE SYSTEM IMPACT STUDY IF NO FACILITIES STUDY IS REQUIRED OR OF THE ATTACHMENT FACILITIES, LOCAL UPGRADES AND/OR NETWORK UPGRADES, PROVIDED, HOWEVER, that Transmission Provider warrants that the transmission facilities described in Section 3.0 of the Specifications will be designed, constructed and operated in accordance with Good Utility Practice, as such term is defined in the Operating Agreement. Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
- 10.0 Within 120 days after the Interconnected Transmission Owner completes acquisition, design, construction and/or installation of the facilities described in Section 3.0 of the Specifications, Transmission Provider shall provide Interconnection Customer with an accounting of, and the appropriate party shall make any payment to the other that is necessary to resolve, any difference between (a) Interconnection Customer's responsibility under this Interim ISA and the Tariff for the actual cost of such equipment, and (b) Interconnection Customer's previous aggregate payments to Transmission Provider and the Interconnected Transmission Owner hereunder. Notwithstanding the

foregoing, however, Transmission Provider shall not be obligated to make any payment that the preceding sentence requires it to make unless and until the Interconnected Transmission Owner has returned to it the portion of Interconnection Customer's previous payments that Transmission Provider must pay under that sentence.

- 11.0 No third party beneficiary rights are created under this Interim ISA, provided, however, that payment obligations imposed on Interconnection Customer hereunder are agreed and acknowledged to be for the benefit of the Interconnected Transmission Owner actually performing the services associated with the interconnection of the generating facilities and any associated upgrades of other facilities.
- 12.0 No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Interim ISA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
- 13.0 This Interim ISA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties hereto.
- 14.0 This Interim ISA shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
- 15.0 This Interim ISA shall not be construed as an application for service under Part II or Part III of the Tariff.
- 16.0 Any notice or request made to or by either Party regarding this Interim ISA shall be made to the representative of the other Party as indicated below.

Transmission Provider

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

Interconnection Customer

[CONTACT NAME/ADDRESS]

Interconnected Transmission Owner

[CONTACT NAME/ADDRESS]

- 17.0 All portions of the Tariff and the Operating Agreement pertinent to the subject of this Interim ISA are incorporated herein and made a part hereof.
- 18.0 This Interim ISA is entered into pursuant to Part IV of the Tariff.

19.0 Neither party shall be liable for consequential, incidental, special, punitive, exemplary or indirect damages, lost profits or other business interruption damages, by statute, in tort or contract, under any indemnity provision or otherwise with respect to any claim, controversy or dispute arising under this Interim ISA.

20.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 20.1, Schedule A to this Interim ISA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.

20.1 Tax Liability

20.1.1 Safe Harbor Provisions:

This Section 20.1.1 is applicable only to Generation Interconnection Customers. Provided that Interconnection Customer agrees to conform to all requirements of the Internal Revenue Service ("IRS") (e.g., the "safe harbor" provisions of IRS Notices 2001-82 and 88-129) that would confer nontaxable status on some or all of the transfer of property, including money, by Interconnection Customer to the Interconnected Transmission Owner for payment of the Costs of construction of the Transmission Owner Interconnection Facilities, the Interconnected Transmission Owner, based on such agreement and on current law, shall treat such transfer of property to it as nontaxable income and, except as provided in Section 20.1.2 below, shall not include income taxes in the Costs of Transmission Owner Interconnection Facilities that are payable by Interconnection Customer under the Interim Interconnection Service Agreement, the Interconnection Service Agreement or the Interconnection Construction Service Agreement. Interconnection Customer shall document its agreement to conform to IRS requirements for such non-taxable status in the Interconnection Service Agreement, the Interconnection Construction Service Agreement, and/or the Interim Interconnection Service Agreement.

20.1.2 Tax Indemnity:

Interconnection Customer shall indemnify the Interconnected Transmission Owner for any costs that Interconnected Transmission Owner incurs in the event that the IRS and/or a state department of revenue (State) determines that the property, including money, transferred by Interconnection Customer to the Interconnected Transmission Owner with respect to the construction of the Transmission Owner Interconnection Facilities and/or any Merchant Network Upgrades is taxable income to the Interconnected Transmission Owner. Interconnection Customer shall pay to the Interconnected Transmission Owner, on demand, the amount of any income taxes that the IRS or a State assesses to the Interconnected Transmission Owner in connection with such transfer of property and/or money, plus any applicable interest and/or penalty charged to the Interconnected Transmission Owner. In the event that the Interconnected Transmission Owner chooses to contest such assessment, either at the request of Interconnection Customer or on its own behalf, and prevails in reducing or eliminating the tax, interest and/or penalty

assessed against it, the Interconnected Transmission Owner shall refund to Interconnection Customer the excess of its demand payment made to the Interconnected Transmission Owner over the amount of the tax, interest and penalty for which the Interconnected Transmission Owner is finally determined to be liable. Interconnection Customer's tax indemnification obligation under this section shall survive any termination of the Interim Interconnection Service Agreement or Interconnection Construction Service Agreement.

20.1.3 Taxes Other Than Income Taxes:

Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, the Interconnected Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against the Interconnected Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this Interim Interconnection Service Agreement or Part VI of the Tariff. Interconnection Customer shall pay to the Interconnected Transmission Owner on a periodic basis, as invoiced by the Interconnected Transmission Owner, the Interconnected Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and the Interconnected Transmission Owner shall cooperate in good faith with respect to any 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 Interconnection Customer to the Interconnected Transmission Owner for such contested 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, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by the Interconnected Transmission Owner.

20.1.4 Income Tax Gross-Up

20.1.4.1 Additional Security:

In the event that Interconnection Customer does not provide the safe harbor documentation required under Section 20.1.1 prior to execution of this Interim Interconnection Service Agreement, within 15 days after such execution, Transmission Provider shall notify Interconnection Customer in writing of the amount of additional Security that Interconnection Customer must provide. The amount of Security that a Transmission Interconnection Customer must provide initially pursuant to this Interim Interconnection Service Agreement shall include any amounts described as additional Security under this Section 20.1.4 regarding income tax gross-up.

20.1.4.2 Amount:

The required additional Security shall be in an amount equal to the amount necessary to gross up fully for currently applicable federal and state income taxes the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer previously provided

Security. Accordingly, the additional Security shall equal the amount necessary to increase the total Security provided to the amount that would be sufficient to permit the Interconnected Transmission Owner to receive and retain, after the payment of all applicable income taxes ("Current Taxes") and taking into account the present value of future tax deductions for depreciation that would be available as a result of the anticipated payments or property transfers (the "Present Value Depreciation Amount"), an amount equal to the estimated Costs of Local Upgrades and Network Upgrades for which Interconnection Customer is responsible under the Interconnection Service Agreement. For this purpose, Current Taxes shall be computed based on the composite federal and state income tax rates applicable to the Interconnected Transmission Owner at the time the additional Security is received, determined using the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting the Interconnected Transmission Owner's anticipated tax depreciation deductions associated with such payments or property transfers by its current weighted average cost of capital.

20.1.4.3 Time for Payment:

Interconnection Customer must provide the additional Security, in a form and with terms as required by Sections 212.4 of the Tariff, within 15 days after its receipt of Transmission Provider's notice under this section. The requirement for additional Security under this section shall be treated as a milestone included in the Interconnection Service Agreement pursuant to Section 212.5 of the Tariff.

20.1.5 Tax Status:

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Interim Interconnection Service Agreement or the Tariff is intended to adversely affect any Interconnected Transmission Owner's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

21.0 Addendum of Interconnection Requirement for a Wind Generation Facility. To the extent required, Schedule B to this Interim ISA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this Interim ISA.

22.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, Transmission Provider, Interconnection Customer and Interconnected Transmission Owner have caused this Interim ISA to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

Interconnection Customer: [Name of Party]

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

Interconnected Transmission Owner: [Name of Party]

By:_____

Name	Title	Date
------	-------	------

Printed name of signer:_____

**SPECIFICATIONS FOR
INTERIM INTERCONNECTION SERVICE AGREEMENT**

**By and Among
PJM INTERCONNECTION, L.L.C.**

And

And

(PJM Queue Position #___)

1.0 Description of Customer Facility to be interconnected with the Transmission System in the PJM Region:

a. Name of Customer Facility:

b. Location of Customer Facility:

c. Size in megawatts of Customer Facility:

{The following language should be included only for generating units

For Generation Interconnection Customer:

Maximum Facility Output of _____MW }

{The following language applies when a Generation Interconnection Request involves an increase of the capacity of an existing generating facility: The stated size of the generating unit includes an increase in the Maximum Facility Output of the generating unit of __ MW over Interconnection Customer's previous interconnection. This increase is a result of the Interconnection Request associated with this Interim Interconnection Service Agreement.}

{The following language should be included only for Merchant Transmission Facilities for Transmission Interconnection Customer:

Nominal Rated Capability: _____MW }

-
- 2.0 Interconnection Rights: Interconnection Customer shall obtain Capacity Interconnection Rights in accordance with Subpart C of Part VI of the Tariff at the location specified in section 1.0b upon its execution of the final Interconnection Service Agreement described in section 7.0(a) of this Interim ISA. **[if applicable, add: , provided, however, that pending execution of the final Interconnection Service Agreement, Interconnection Customer shall be entitled to the following interim rights:**

Pursuant to and subject to the applicable terms of the Tariff, Interconnection Customer shall have Capacity Interconnection Rights as a Capacity Resource at the Point of Interconnection specified in this Interim ISA in the amount of ___ MW, for the time period of _____ to _____. To the extent that the Customer Facility described in section 1.0 is not a Capacity Resource with Capacity Interconnection Rights, such Customer Facility shall be an Energy Resource. Pursuant to this Interim ISA, the Customer Facility will be permitted to inject ___ MW (nominal) into the system. PJM reserves the right to limit injections to this quantity in the event reliability would be affected by output greater than such quantity.]

- 3.0.A Facilities to be acquired, designed, constructed and/or installed by the Interconnected Transmission Owner under this Interim ISA:

- 3.0.B Facilities to be acquired, designed, constructed and/or installed by the Interconnection Customer under this Interim ISA:

- 4.0 Interconnection Customer shall be subject to the charges detailed below:

4.1 Attachment Facilities Charge:

4.2 Local Upgrades Charge:

4.3 Network Upgrades Charge:

4.4 Cost Breakdown:

\$	Direct Labor
\$	Direct Material
\$	Indirect Labor
\$	Indirect Material
\$	Total

SCHEDULES: {Note: Schedules A and B are required, others are optional; add if applicable and desirable for clarity.}

SCHEDULE A – INTERCONNECTION CUSTOMER’S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

SCHEDULE B - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY

SCHEDULE __ - CUSTOMER FACILITY LOCATION/SITE PLAN

SCHEDULE __ - SINGLE-LINE DIAGRAM

SCHEDULE A

INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS

{Include the appropriate language from the alternatives below:}

{Include the following language if not required:}
Not Required.

[OR]

{Include the following language if applicable to Interconnection Customer:}

As provided in Section 20.1 of this Interim ISA and subject to the requirements thereof, Interconnection Customer represents that it meets all qualifications and requirements as set forth in Section 118(a) and 118(b) of the Internal Revenue Code of 1986, as amended and interpreted by Notice 88-129, 1988-2 C.B. 541, and as amplified and modified in Notices 90-60, 1990-2 C.B. 345, and 2001-82, 2001-2 C.B. 619 (the "IRS Notices"). Interconnection Customer agrees to conform with all requirements of the safe harbor provisions specified in the IRS Notices, as they may be amended, as required to confer non-taxable status on some or all of the transfer of property, including money, by Interconnection Customer to Interconnected Transmission Owner with respect to the payment of the Costs of construction and installation of the Transmission Owner Interconnection Facilities and/or Merchant Network Upgrades specified in this Interim ISA.

Nothing in Interconnection Customer's agreement pursuant to this Schedule A shall change Interconnection Customer's indemnification obligations under Section 20.1 of this Interim ISA.

SCHEDULE B
INTERCONNECTION REQUIREMENTS FOR A
WIND GENERATION FACILITY

{ Include the appropriate language from the alternatives below }

{ Include the following language if the Customer Facility is not a wind generation facility }

Not Required

[OR]

{ Include the following language when the Customer Facility is a wind generation facility }

Schedule B sets forth requirements and provisions specific to the interconnection of a wind generation facility that is greater than 20 MW. All other requirements pertaining to the interconnection of generation facilities above 20 MW set forth in Part IV of the Tariff continue to apply to wind generation facility interconnections.

A. Technical Standards Applicable to a Wind Generation Facility

i. Low Voltage Ride-Through (LVRT) Capability

A wind generation facility shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The Schedule B LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generation facilities subject to Commission Order No. 661 that have either: (i) Interconnection Service Agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generation turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generation facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generation facility shall be required to withstand for a three-phase fault

shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generation facility step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generation facility or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT standard.

Post-transition Period LVRT Standard

All wind generation facilities subject to Commission Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generation facilities are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generation facility substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generation facility shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generation facility may disconnect from the transmission system. A wind generation facility shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generation facilities may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generation facilities may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generation facility or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the initial effective date of the Schedule B LVRT standard are exempt from meeting the Schedule B LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Schedule B LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

The power factor requirements for wind generation facilities set forth in section 4.7.1 of Appendix 2 to Attachment O of the Tariff can be met by using, for example, power electronic devices designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind generation facility is in operation. Wind generation facilities shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind generation facility shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind generation facility Interconnection Customer shall determine what SCADA information is essential for the proposed wind generation facility, taking into account the size of the facility and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

iv. Meteorological Data Reporting Requirement

The wind generation facility shall, at a minimum, be required to provide the Transmission Provider with site-specific meteorological data including:

- Temperature (degrees Fahrenheit)
- Wind speed (meters/second)
- Wind direction (degrees from True North)
- Atmospheric pressure (hectopascals)
- Forced outage data (wind turbine and MW unavailability)

The Transmission Provider and Interconnection Customer may mutually agree to any additional meteorological data that are required for the development and deployment of a power production forecast. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such additional mutually agreed upon requirements for meteorological and forced outage data are set forth below:

[SPECIFICY AGREED UPON METEOROLOGICAL AND FORCED OUTAGE DATA REQUIREMENTS]

OR

[NOT APPLICABLE FOR THIS INTERIM ISA]

ATTACHMENT P
FORM OF
INTERCONNECTION CONSTRUCTION SERVICE AGREEMENT
By and Among
PJM Interconnection, L.L.C.
And
[Name of Interconnection Customer]
And
[Name of Interconnected Transmission Owner]

(PJM Queue Position #____)

- 1.0 Parties. This Interconnection Construction Service Agreement (“CSA”) including the Schedules and Appendices attached hereto and incorporated herein, is entered into by and between PJM Interconnection, L.L.C. (“Transmission Provider” or “PJM”) and the following Interconnection Customer and Interconnected Transmission Owner:

Interconnection Customer:

[full name] [OPTIONAL: (also referred to as “[short name”))]_____

Interconnected Transmission Owner:

[full name] [OPTIONAL: (also referred to as “[short name”))]_____

All capitalized terms herein shall have the meanings set forth in the appended definitions of such terms as stated in Part I of the Tariff.

- 2.0 Authority. This CSA is entered into pursuant to Part VI of the Tariff. The standard terms and conditions for construction are attached at Appendix 2 to this CSA and are hereby specifically incorporated as provisions of this agreement. Transmission Provider, the Interconnection Customer and the Interconnected Transmission Owner agree to and assume all of their respective rights and obligations as set forth in the standard terms and conditions for construction in Appendix 2 to this CSA. Further, Interconnection Customer and the Interconnected Transmission Owner each agrees to and assumes all of the rights and obligations of a Constructing Entity with respect to the facilities that each of them is responsible for constructing, as set forth in this CSA.
- 3.0 Customer Facility. This CSA specifically relates to the following Customer Facility at the following location:

- a. Name of Customer Facility:

b. Location of Customer Facility:

4.0 Effective Date and Term.

4.1 Effective Date. This CSA shall become effective on the later of (i) the date the agreement has been executed by all Construction Parties, or (ii) the date of Interconnection Customer's delivery of Security to the Transmission Provider, provided, however, that if the CSA is filed with the FERC unexecuted, the Effective Date shall be the date specified by the FERC. The Interconnected Transmission Owner shall have no obligation to begin construction of the Transmission Owner Interconnection Facilities prior to the Effective Date. Construction shall commence as provided in the Schedule of Work set forth in Schedule J to this CSA.

4.2 Term. This CSA shall continue in full force and effect from the Effective Date until the termination thereof pursuant to Section 14 of Appendix 2 to this CSA.

4.3 Survival. This CSA shall continue in effect after termination to the extent necessary to provide for final billings and payments, including billings and payments pursuant to Section 9 and/or Section 14 of Appendix 2 to this CSA, and to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while the CSA was in effect.

5.0 Construction Responsibility for

a. Customer Interconnection Facilities. Interconnection Customer is responsible for designing and constructing the Customer Interconnection Facilities described on the attached Schedule G to this CSA.

b. Construction of Transmission Owner Interconnection Facilities.

1. The Transmission Owner Interconnection Facilities regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule C to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Transmission Owner Interconnection Facilities that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of the Appendix 2 to this CSA.)

_____Standard Option.

_____Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Transmission Owner Interconnection Facilities?

_____ Yes

_____ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Transmission Owner Interconnection Facilities described on Schedule D attached to this CSA.

[include c. below only if applicable to a Merchant Transmission interconnection:]

- c. Construction of Merchant Network Upgrades.

1. The Merchant Network Upgrades regarding which Interconnected Transmission Owner shall be the Constructing Entity are described on the attached Schedule E to this CSA.

2. Election of Construction Option. Specify below whether the Constructing Entities have mutually agreed to construction of the Merchant Network Upgrades that will be built by the Interconnected Transmission Owner pursuant to the Standard Option or the Negotiated Contract Option. (See Section 3.2 of Appendix 2 to this CSA.)

_____Standard Option.

_____Negotiated Contract Option.

If the parties have mutually agreed to use the Negotiated Contract Option, the permitted, negotiated terms on which they have agreed and which are not already set forth as part of the Scope of Work and/or Schedule of Work attached to this CSA as Schedules I and J, respectively, shall be as set forth in Schedule H attached to this CSA.

3. Exercise of Option to Build. Has Interconnection Customer timely exercised the Option to Build in accordance with Section 3.2.3 of Appendix 2 to this CSA with respect to some or all of the Merchant Network Upgrades?

_____ Yes

_____ No

If Yes is indicated, Interconnection Customer shall build, in accordance with and subject to the conditions and limitations set forth in Section 3.2.3 of Appendix 2 to this CSA, those portions of the Merchant Network Upgrades described on Schedule F attached to this CSA.

6.0 [Reserved].

7.0 Scope of Work. The Scope of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule I, provided, however, that the scope of work is subject to change in accordance with Transmission Provider's scope change process for interconnection projects as set forth in the PJM Manuals.

8.0 Schedule of Work. The Schedule of Work for all construction pursuant to this CSA shall be as set forth in the attached Schedule J, provided, however, that such schedule is subject to change in accordance with Section 3.3 of Appendix 2 to this CSA.

9.0 [Reserved.]

10.0 Notices. Any notice or request made to or by any party regarding this CSA shall be made in accordance with the standard terms and conditions for construction set forth in Appendix 2 to this CSA to the representatives of the other parties, as indicated below:

Transmission Provider:

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

Interconnection Customer:

Interconnected Transmission Owner:

11.0 Waiver. No waiver by any party of one or more defaults by another in performance of any of the provisions of this CSA shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.

- 12.0 Amendment. This CSA or any part thereof, may not be amended, modified, assigned, or waived other than by a writing signed by all parties.
- 13.0 Incorporation of Other Documents. All portions of the Tariff and the Operating Agreement pertinent to the subject of this CSA and not otherwise made a part hereof are hereby incorporated herein and made a part hereof.
- 14.0 Addendum of Interconnection Customer's Agreement to Conform with IRS Safe Harbor Provisions for Non-Taxable Status. To the extent required, in accordance with Section 2.4.1 of Appendix 2 to this CSA, Schedule L to this CSA shall set forth the Interconnection Customer's agreement to conform with the IRS safe harbor provisions for non-taxable status.
- 15.0 Addendum of Non-Standard Terms and Conditions for Construction Service. Subject to FERC approval, the parties agree that the terms and conditions set forth in the attached Schedule M are hereby incorporated by reference, and made a part of, this CSA. In the event of any conflict between a provision of Schedule M that FERC has accepted and any provision of the standard terms and conditions set forth in Appendix 2 to this CSA that relates to the same subject matter, the pertinent provision of Schedule M shall control.
- 16.0 Addendum of Interconnection Requirements for a Wind Generation Facility. To the extent required, Schedule N to this CSA sets forth interconnection requirements for a wind generation facility and is hereby incorporated by reference and made a part of this CSA.
- 17.0 Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All Transmission Providers, Interconnected Transmission Owners, market participants, and Interconnection Customers interconnected with electric systems are to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

IN WITNESS WHEREOF, the parties have caused this Interconnection Construction Service Agreement to be executed by their respective authorized officials.

(PJM Queue Position #____)

Transmission Provider: PJM Interconnection, L.L.C.:

By: _____
Name Title Date

Printed name of signer: _____

Interconnection Customer: [Name of Party]

By: _____
Name Title Date

Printed name of signer: _____

Interconnected Transmission Owner: [Name of Party]

By: _____
Name Title Date

Printed name of signer: _____

APPENDICES:

- **APPENDIX 1 - DEFINITIONS**
- **APPENDIX 2 - STANDARD CONSTRUCTION TERMS AND CONDITIONS**

SCHEDULES:

- **SCHEDULE A - SITE PLAN**
- **SCHEDULE B - SINGLE-LINE DIAGRAM OF INTERCONNECTION FACILITIES**
- **SCHEDULE C - TRANSMISSION OWNER INTERCONNECTION**

FACILITIES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER

- **SCHEDULE D - TRANSMISSION OWNER INTERCONNECTION FACILITIES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE E - MERCHANT NETWORK UPGRADES TO BE BUILT BY INTERCONNECTED TRANSMISSION OWNER**
- **SCHEDULE F - MERCHANT NETWORK UPGRADES TO BE BUILT BY INTERCONNECTION CUSTOMER PURSUANT TO OPTION TO BUILD**
- **SCHEDULE G - CUSTOMER INTERCONNECTION FACILITIES**

- **SCHEDULE H - NEGOTIATED CONTRACT OPTION TERMS**
- **SCHEDULE I - SCOPE OF WORK**
- **SCHEDULE J - SCHEDULE OF WORK**
- **SCHEDULE K - APPLICABLE TECHNICAL REQUIREMENTS AND STANDARDS**
- **SCHEDULE L - INTERCONNECTION CUSTOMER'S AGREEMENT TO CONFORM WITH IRS SAFE HARBOR PROVISIONS FOR NON-TAXABLE STATUS**
- **SCHEDULE M - SCHEDULE OF NON-STANDARD TERMS AND CONDITIONS**
- **SCHEDULE N - INTERCONNECTION REQUIREMENTS FOR A WIND GENERATION FACILITY**

ATTACHMENT S

Form of Transmission Interconnection Feasibility Study Agreement

RECITALS

1. This Transmission Interconnection Feasibility Study Agreement, dated as of _____, is entered into, by and between _____ (“Interconnection Customer”) and PJM Interconnection, L.L.C. (“Transmission Provider”) pursuant to Part IV of the PJM Interconnection, L.L.C. Open Access Transmission Tariff (“PJM Tariff”). Capitalized terms used in this agreement, unless otherwise indicated, shall have the meanings ascribed to them in the PJM Tariff.
2. Pursuant to Section 36.1 of the PJM Tariff, the Interconnection Customer has submitted an Interconnection Request and has paid the applicable initial deposit and the applicable non-refundable base deposit to the Transmission Provider, for a proposed interconnection of Merchant Transmission Facilities.
3. Interconnection Customer requests interconnection to the Transmission System of Merchant Transmission Facilities with the following specifications.
 - a. Location of proposed facilities:

 - b. Substation(s) where Interconnection Customer proposes to interconnect or add its facilities:

 - c. Proposed voltage and nominal capability of new facilities or increase in capability of existing facilities:

 - d. Description of proposed facilities and equipment:

 - e. Planned date the proposed facilities or increase in capability will be in service:

 - f. (1) Are these proposed Merchant Transmission Facilities?

___ Yes ___ No

(2) If Yes, will the proposed facilities be Merchant A.C. or Merchant D.C. Transmission Facilities or Controllable A.C. Merchant Transmission Facilities?

A.C. _____ or D.C. _____ or Controllable A.C. _____

- g. If the proposed facilities will be Merchant D.C. Transmission Facilities and/or Controllable A.C. Merchant Transmission Facilities, does Interconnection Customer elect to receive:

EITHER

_____ (1) Firm or Non-Firm Transmission Injection Rights (TIR) and/or Firm or Non-Firm Transmission Withdrawal Rights (TWR).

OR

_____ (2) Incremental Deliverability Rights, Incremental Auction Revenue Rights and Incremental Available Transfer Capability Revenue Rights.

If Interconnection Customer elects (1) above, it must provide the following:

_____ Total project MW's to be evaluated as Firm (capacity) injection for TIR.

_____ Total project MW's to be evaluated as Non-firm (energy) injection for TIR.

_____ Total project MW's to be evaluated as Firm (capacity) withdrawal for TWR.

_____ Total project MW's to be evaluated a Non-firm (energy) withdrawal for TWR.

If Interconnection Customer elects (2) above, it must state the location on the Transmission System where it proposes to receive Incremental Deliverability Rights associated with Its proposed facilities:

- h. If the proposed facilities will be Controllable A.C. Merchant Transmission Facilities, as defined in Section 1.6B of the Tariff, and provided that Interconnection Customer contractually binds itself in the Interconnection Service Agreement ("ISA") related to its project always to operate its Controllable A.C. Merchant Transmission Facilities in a manner effectively the same as operation of

D.C. transmission facilities, the ISA will provide Interconnection Customer with the same types of transmission rights that are available under the Tariff for Merchant D.C. Transmission Facilities. For purposes of this Feasibility Study Agreement, Interconnection Customer represents that, should it execute an ISA for its project described herein, it will agree in the ISA to operate its facilities continuously in a controllable mode.

- i. If the proposed facilities will be Merchant A.C. Transmission Facilities without continuous controllability as described in paragraph h. above, please specify the location on the Transmission System where Interconnection Customer proposes to receive any Incremental Deliverability Rights associated with its proposed facilities:
- j. Other information:

PURPOSE OF THE FEASIBILITY STUDY

- 4. Consistent with Section 36.2 of the PJM Tariff, the Transmission Provider shall conduct a Transmission Interconnection Feasibility Study to provide the Interconnection Customer with preliminary determinations of: (i) the type and scope of the Attachment Facilities, Local Upgrades, Network Upgrades and/or Merchant Network Upgrades that will be necessary to accommodate the Interconnection Customer's Interconnection Request; (ii) the time that will be required to construct such facilities and upgrades; and (iii) the Interconnection Customer's cost responsibility for the necessary facilities and upgrades. In the event that the Transmission Provider is unable to complete the Transmission Interconnection Feasibility Study within 30 days of the Interconnection Customer's submission of its Interconnection Request and execution of this Transmission Interconnection Feasibility Study Agreement, the Transmission Provider shall notify the Interconnection Customer and explain the reasons for the delay.
- 5. The Transmission Interconnection Feasibility Study conducted hereunder will provide only preliminary non-final estimates of the cost and length of time required to accommodate the Interconnection Customer's Interconnection Request. More comprehensive estimates will be developed only upon execution of a System Impact Study Agreement and a Facilities Study Agreement in accordance with Part VI of the PJM Tariff. The Transmission Interconnection Feasibility Study necessarily will employ various assumptions regarding the Interconnection Request, other pending requests, and PJM's Regional Transmission Expansion Plan at the time of the study. The Transmission Interconnection Feasibility Study shall not obligate the Transmission Provider or the Transmission Owners to interconnect with the Interconnection Customer or construct any facilities or upgrades.

CONFIDENTIALITY

6. The Interconnection Customer agrees to provide all information requested by the Transmission Provider necessary to complete the Transmission Interconnection Feasibility Study. Subject to paragraph 7 of this Transmission Interconnection Feasibility Study Agreement and to the extent required by Section 222 of the PJM Tariff, information provided pursuant to this Section 6 shall be and remain confidential.
7. Until completion of the Transmission Interconnection Feasibility Study, the Transmission Provider shall keep confidential all information provided to it by the Interconnection Customer. Upon completion of the Transmission interconnection Feasibility Study, the study will be listed on the Transmission Provider's OASIS and, to the extent required by Commission regulations, will be make publicly available upon request, except that the identity of the Interconnection Customer shall remain confidential and will not be posted on the Transmission Provider's OASIS.
8. Interconnection Customer acknowledges that, consistent with Part IV and Part VI of the PJM Tariff, the Transmission Provider may contract with consultants, including the Transmission Owners, to provide services or expertise in the Transmission Interconnection Feasibility Study process and that the Transmission Provider may disseminate information to the Transmission Owners.

COST RESPONSIBILITY

9. The Interconnection Customer shall reimburse the Transmission Provider for the actual cost of the Transmission Interconnection Feasibility Study. The deposit paid by the Interconnection Customer pursuant to Section 36.1 of the PJM Tariff shall be applied toward the Interconnection Customer's Transmission Interconnection Feasibility Study cost responsibility. In the event that the Transmission Provider anticipates that the actual study costs will exceed the deposit, the Transmission Provider shall provide the Interconnection Customer with an estimate of the study costs. Within 10 days of receiving such estimate, the Interconnection Customer may withdraw its Interconnection Request. Unless the Interconnection Request is withdrawn, the Interconnection Customer agrees to pay the actual additional costs of the Transmission Interconnection Feasibility Study.

DISCLAIMER OF WARRANTY, LIMITATION OF LIABILITY

10. In analyzing and preparing the Transmission Interconnection Feasibility Study, the Transmission Provider, the Transmission Owner(s), and any other subcontractors employed by the Transmission Provider shall have to rely on information provided by the Interconnection Customer and possibly by third parties and may not have control over the accuracy of such information. Accordingly, NEITHER THE TRANSMISSION PROVIDER, THE TRANSMISSION OWNER(S), NOR ANY OTHER SUBCONTRACTORS EMPLOYED BY THE TRANSMISSION PROVIDER MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION, OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND

FITNESS FOR A PARTICULAR PURPOSE WITH REGARD TO THE ACCURACY, CONTENT, OR CONCLUSIONS OF THE FEASIBILITY STUDY. The Interconnection Customer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder. Neither this Transmission Interconnection Feasibility Study Agreement nor the Transmission Interconnection Feasibility Study prepared hereunder is intended, nor shall either be interpreted, to constitute agreement by the Transmission Provider or the Transmission Owner(s) to provide any transmission or interconnection service to or on behalf of the Interconnection Customer either at this point in time or in the future.

11. In no event will the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, whether under this Transmission Interconnection Feasibility Study Agreement or otherwise, even if the Transmission Provider, Transmission Owner(s), or other subcontractors employed by the Transmission Provider have been advised of the possibility of such a loss. Nor shall the Transmission Provider, Transmission Owner(s) or other subcontractors employed by the Transmission Provider be liable for any delay in delivery or of the non-performance or delay in performance of the Transmission Provider's obligations under this Transmission Interconnection Feasibility Study Agreement.

Without limitation of the foregoing, the Interconnection Customer further agrees that Transmission Owner(s) and other subcontractors employed by the Transmission Provider to prepare or assist in the preparation of any Transmission Interconnection Feasibility Study shall be deemed third party beneficiaries of this provision entitled "Disclaimer of Warranty/Limitation of Liability."

MISCELLANEOUS

12. Any notice or request made to or by either party regarding this Transmission Interconnection Feasibility Study Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Interconnection Customer

13. No waiver by either party of one or more defaults by the other in performance of any of the provisions of this Transmission Interconnection Feasibility Study Agreement shall operate or be construed as a waiver of any other or further default or defaults, whether of a like or different character.
14. This Transmission Interconnection Feasibility Study Agreement or any part thereof, may not be amended, modified, or waived other than by a writing signed by all parties hereto.
15. This Transmission Interconnection Feasibility Study Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
16. Neither this Transmission Interconnection Feasibility Study Agreement nor the Transmission Interconnection Feasibility Study performed hereunder shall be construed as an application for service under Part II or Part III of the PJM Tariff.
17. The provisions of the PJM Tariff are incorporated herein and made a part hereof.
18. **Governing Law, Regulatory Authority, and Rules**
The validity, interpretation and enforcement of this Transmission Interconnection Feasibility Study Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Transmission Interconnection Feasibility Study Agreement is subject to all Applicable Laws and Regulations. Each party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
19. **No Third-Party Beneficiaries**
This Transmission Interconnection Feasibility Study Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the parties, and the obligations herein assumed are solely for the use and benefit of the parties, their successors in interest and where permitted, their assigns.
20. **Multiple Counterparts**
This Transmission Interconnection Feasibility Study Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
21. **No Partnership**
This Transmission Interconnection Feasibility Study Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties or to impose any partnership obligation or partnership liability upon either party. Neither party shall have any right, power or authority 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, the other party.

22. Severability

If any provision or portion of this Transmission Interconnection Feasibility Study Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the parties shall negotiate in good faith to restore insofar as practicable the benefits to each party that were affected by such ruling, and (3) the remainder of this Transmission Interconnection Feasibility Study Agreement shall remain in full force and effect.

23. Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Transmission Interconnection Feasibility Study Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Transmission Interconnection Feasibility Study Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each party shall have the right to protest any such filing by the other party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Transmission Interconnection Feasibility Study Agreement shall limit the rights of the parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the parties otherwise agree as provided herein.

IN WITNESS WHEREOF, the Transmission Provider and the Interconnection Customer have caused this Transmission Interconnection Feasibility Study Agreement to be executed by their respective authorized officials.

Transmission Provider

By: _____
Name Title Date

Interconnection Customer

By: _____
Name Title Date

ATTACHMENT V

FORM OF ITC AGREEMENT

1.0 This ITC Agreement, dated as of _____, is entered into, by and between PJM Interconnection, L.L.C. (“PJM”) and _____ (“Independent Transmission Company” or “ITC”).

2.0 ITC has, or shall have, prior to commencement of service as an ITC, ownership of, or functional control of, the transmission facilities for which it wishes to become the ITC (“ITC Transmission Facilities”). ITC desires to become an independent transmission company within the PJM region, in accordance with Attachment S to the PJM Open Access Transmission Tariff (“Tariff”).

3.0 This ITC Agreement is subject to and expressly incorporates by this reference the provisions of Attachment U to this Tariff, as it may be modified from time to time, which sets forth the standard division of responsibilities, and associated terms and conditions, for any ITC that operates in the PJM region.

4.0 Any responsibility or function of PJM not expressly assigned or transferred herein to ITC shall remain with PJM. Any responsibility or function of ITC under any agreement between ITC and any owner of transmission facilities not expressly assigned or transferred herein to PJM shall remain with ITC. Capitalized terms used herein that are not otherwise defined herein shall have the meaning given to such term in the Tariff.

5.0 PJM and ITC agree to assume, with respect to the ITC Transmission Facilities, the respective rights and responsibilities set forth in Attachment U to the Tariff.

6.0 The ITC Transmission Facilities that are the subject of this agreement are specifically identified in Schedule 1 to this ITC Agreement.

6.1 In the event ITC acquires or otherwise operates transmission facilities not identified in Schedule 1 to this Agreement that are outside the PJM region, such facilities shall not be deemed ITC Transmission Facilities unless ITC so chooses to designate or assign such facilities, subject to PJM’s agreement and FERC’s approval. If ITC acquires or otherwise operates transmission facilities not identified in Schedule 1 of this Agreement that are within the PJM region, such facilities shall be deemed ITC Transmission Facilities.

7.0 Following ITC’s satisfaction of the prerequisites specified in Attachment S, including FERC approvals, the ITC shall assume the rights and responsibilities described herein on the first day of the calendar month (“ITC Commencement Date”) following the date on which the ITC provides written certification to Transmission Provider that the ITC has in place the capability, including, without limitation, the approvals, licenses, assignments, trained and qualified personnel, systems, and facilities necessary to undertake its responsibilities hereunder. PJM shall coordinate with the ITC prior to the ITC Commencement Date to ensure that PJM is

capable as of the ITC Commencement Date of providing the responsibilities reserved to PJM hereunder as to the ITC Transmission Facilities and related bulk power facilities.

8.0 This Agreement shall remain in effect until the effective date of ITC's withdrawal from this Agreement. ITC may withdraw from this Agreement upon ninety (90) days advance written notice to PJM, provided that such withdrawal shall not be effective until ITC with respect to the ITC Transmission Facilities has (1) satisfied all applicable NERC and Applicable Regional Entity requirements for operating a control area or being included within an existing control area; (2) put in place alternative arrangements for satisfaction of FERC's requirements with respect to comparable transmission services and, if required, participation in an RTO or Independent Transmission Provider; (3) transferred all of its functions and obligations as an ITC to one or more other entities to the satisfaction of FERC, and (4) received FERC approval or acceptance without suspension or hearing.

8.1 If ITC withdraws, it shall remain liable for any and all obligations incurred hereunder by ITC prior to the effective date of ITC's withdrawal.

8.2 If ITC becomes aware of any event that will cause ITC to relinquish functional control of any ITC Transmission Facilities, ITC shall notify PJM in writing as soon as practicable after becoming aware of such event.

9.0 This Agreement shall not be interpreted or construed to create any association, joint venture, or partnership between or among PJM and ITC or to impose any partnership obligation liability upon any either 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.

10.0 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.

11.0 This ITC Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns permitted herein, but shall not be assigned except to a successor in the operation of a party's Transmission Facilities by reason of a merger, consolidation, reorganization, sale, spin-off, or foreclosure, as a result of which substantially all such Transmission Facilities are acquired by such a successor, and such successor expressly is made a party to this Agreement, provided that any successor to either party shall procure all necessary regulatory approvals to exercise its rights and responsibilities in accordance with this Agreement.

12.0 This Agreement shall be interpreted, construed and governed by the laws of the state of Delaware.

13.0 Whether expressly so stated or not, 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 by hand or overnight courier:

For all Notices:

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

ITC

ITC represents and warrants to PJM that ITC has obtained, and at all times shall retain ownership of, or the authority to direct the operation of, the ITC Transmission Facilities; provided, however, that if a transmission owner participating in the ITC withdraws from the ITC, the description of the ITC Transmission Facilities in Schedule 1 shall be revised accordingly.

IN WITNESS WHEREOF, PJM and ITC have caused this ITC Agreement to be executed by their duly authorized representatives.

[signature blocks]

ATTACHMENT FF

Form of

Initial Study Agreement

Company name:

OASIS Request	Start	Stop	Amount	Path	Date & Time of Request

PURPOSE

An Initial Study is used to determine whether or not the Transmission System is adequate to accommodate all or part of a request for long-term firm transmission service under both Part II (POINT-TO-POINT TRANSMISSION SERVICE) or Part III (NETWORK INTEGRATION TRANSMISSION SERVICE) of the PJM Open Access Transmission Tariff (the “Tariff”) (together referred to as “long-term firm transmission service”). The FERC comparability standard is applied in evaluating the impact of all requests.

SCOPE OF WORK

The Initial Study will determine if the PJM network has sufficient capability to grant the transmission service.

The Initial Study is required for all long-term firm transmission service requests. The Initial Study indicates whether or not the request for service can be granted based on expected system conditions and topology. Pursuant to Section 19.3 or Section 32.2 of the Tariff, upon completion of the Initial Study, PJM will notify the transmission customer that (a) the transmission service request is accepted, or (b) additional analysis is required. Pursuant to Part VI of the Tariff, additional analysis will only commence if the customer elects to continue to the System Impact Study within 30 days of notification.

General

Initial Studies are performed on transmission service requests in the order in which they are received. Multiple requests for overlapping periods and similar paths are evaluated until a limit is reached. Transmission service requests are held in “Study” status until requests received earlier have been confirmed or withdrawn. If the study demonstrates that the requested service can be accepted, the status of the request is changed to “Accepted” on the PJM OASIS. As soon as possible after notification of acceptance, the Transmission Customer should “Confirm” the transmission request. If accepted service is not confirmed within 15 days, the request is deemed “Withdrawn,” and other requests waiting in the queue can then be studied.

Available Transmission Capability (ATC)

ATC indicates the transfer capability that is expected to be available on the transmission system during a given period. An initial screening of ATC is required for all firm transmission service requests. This screening is used to evaluate the impact of the requested service on the transmission contingencies that limit available transfer capability. The screening is based on the latest available information regarding existing firm service.

Network Analysis and Deliverability Test

In addition to ATC screening, PJM evaluates requests for long-term firm transmission service using deliverability tests commensurate with the testing employed for evaluating generation interconnection requests. The energy from generating facilities or the energy delivered using long-term firm transmission service that is ultimately committed to meet resource requirements must be deliverable to where it is needed in the event of a system emergency. Therefore, there must be sufficient transmission network transfer capability within the control area. PJM determines the sufficiency of network transfer capability through a series of “deliverability tests.” All generator interconnections and long-term firm transmission service in PJM are subjected to the same deliverability tests. The FERC comparability standard is applied in evaluating the impact of all requests.

Rollover Rights

Pursuant to section 2.2 of the PJM Tariff, : Existing firm service customers of any Transmission Owner (wholesale requirements and transmission-only, with a contract term of five-years or more), may request rollover/reservation priority rights at the end of the term of the service. However, rollover rights may be limited in some cases. For instance, if the System Impact Study identifies limits caused by reliability problems (unless Direct Assignment Facilities or Network Upgrades are constructed to provide the requested service), the Transmission Customer will be notified of the limitation. The Service Agreement will include language which will reserve to PJM the right to limit rollovers in such circumstances. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Transmission Service unless the Direct Assignment Facilities and/or Network Upgrades identified in the System Impact Study and/or Facilities Studies are completed pursuant to Part VI.

Reliability problems which may be identified by the System Impact Study and which may require additional Direct Assignment Facilities or Network Upgrades to provide the requested service include the following:

Limiting rollover rights for ATC.

If there is not enough ATC to accommodate rollover rights beyond the initial term PJM may explicitly state in the transmission service agreement that rollover rights for the requested service will be limited.

Limiting rollover rights for earlier queued transmission or generation interconnections.

As a part of the Initial Study, the request is tested to verify that the service can co-exist with generators whose interconnection request predates the transmission service request. If the transmission service can not co-exist with a planned generator whose interconnection request predates the transmission service request, and the original transmission service request does not conflict with the generator in service date, the request will be approved. However, the transmission customer will be notified that the service has limited rollover rights. If the customer requests to renew the transmission service, another Initial Study may be required.

Estimated Elapsed Time and Cost to Complete the Initial Study

The Initial Study analysis to determine if the request can be accommodated will take approximately 10 man-days of effort. The study is estimated to take approximately 14 calendar days to complete but may take as long as 60 days to complete. The cost to complete the Initial Study is estimated at \$_____.

**ADDITIONAL TERMS AND CONDITIONS
INITIAL STUDY AGREEMENT
FOR LONG-TERM FIRM TRANSMISSION SERVICE REQUESTS**

- 1.0 This Agreement for an Initial Study for Long-Term Firm Transmission Service Requests (“Initial Study Agreement”) is entered into, by and between PJM Interconnection, L.L.C. (“PJM”) and _____ (“Customer”).
- 2.0 PJM has determined that the Transmission Customer has completed the Application for Firm Point-To-Point Transmission Service or Network Service under the PJM Open Access Transmission Tariff (“Tariff”) and has provided an Application deposit in accordance with the provisions of the Tariff. The Tariff is accessible through the PJM OASIS.
- 3.0 PJM has determined that an Initial Study for Transmission Service needs to be conducted to evaluate the request.
- 4.0 PJM will conduct the Initial Study in accordance with the procedures described in the PJM Manual for Transmission Service Request, which is accessible through the PJM OASIS, the Tariff and this Initial Study Agreement.
- 5.0 This Initial Study Agreement indicates the Scope of the Work required to evaluate the request and provides an estimated cost and schedule for completing the subject Initial Study for Transmission Service. The Customer shall be responsible for actual charges associated with the Initial Study.

- 6.0 Any notice or request made to or by either PJM or the Transmission Customer, regarding this Initial Study Agreement shall be made to the representatives listed below.
- 7.0 This Initial Study Agreement **must be executed** by the Transmission Customer **and returned to PJM within (fifteen) 15 days** of the Date stated below, or this Agreement will be void.
- 8.0 In accordance with Part II, (POINT-TO-POINT TRANSMISSION SERVICE), Section 19 (Initial Study Procedures for Long-Term Firm Point-to-Point Transmission Service Requests) Section 19.1 (Notice of Need for Initial Study) and Part III, (NETWORK INTEGRATION TRANSMISSION SERVICE), Section 32 (Initial Study Procedures for Network Integration Transmission Service Requests), and Section 32.1 (Notice of Need for Initial Study) of the Tariff, the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Initial Study.

In some cases, the requested service cannot be granted upon completion of the Initial Study. If the Customer has withdrawn its New Service Request or has not requested completion of a System Impact Study within 30 days of completion of the Initial Study, its New Service Request will be deemed to be withdrawn and terminated.

Transmission Provider
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Transmission Customer

Agent: _____ Agent: _____

Date: _____ Date: _____

ATTACHMENT GG

**FORM OF
UPGRADE CONSTRUCTION SERVICE AGREEMENT**

**By and Among
PJM Interconnection, L.L.C.,**

**_____ [New Service Customer (other than an Interconnection
Customer whose project includes generation capability or Merchant Transmission
Facilities other than Merchant Network Upgrades)],
_____ [Transmission Owner]**

(PJM Queue Position #____)

This Upgrade Construction Service Agreement, including the Appendices attached hereto and incorporated herein (collectively, "Upgrade CSA") is made and entered into as of the Effective Date (as defined in the attached Appendix III) by and among PJM Interconnection, L.L.C. ("Transmission Provider" or "PJM"), _____ ("New Service Customer" [OPTIONAL: or "[short name]"]) and _____ ("Transmission Owner" [OPTIONAL: or "[short name]"]). Transmission Provider, New Service Customer and Transmission Owner are referred to herein individually as "Party" and collectively as "the Parties."

WITNESSETH

WHEREAS, New Service Customer has requested (1) Long-Term Firm Point-To-Point Transmission Service or Network Integration Transmission Service ("Transmission Service") from Transmission Provider pursuant to Transmission Provider's Open Access Transmission Tariff, designated as FERC Electric Tariff, Sixth Revised Volume No. 1 (the "PJM Tariff"); or (2) Incremental Auction Revenue Rights pursuant to Section 7.8 of Schedule 1 of the Operating Agreement of PJM Interconnection L.L.C. ("Operating Agreement") and Part VI of the PJM Tariff; or (3) installation of one or more Merchant Network Upgrades pursuant to Part IV and Part VI of the PJM Tariff;

WHEREAS, pursuant to New Service Customer's Completed Application, Upgrade Request Form or Interconnection Request proposing Merchant Network Upgrades only and in accordance with the PJM Tariff, Transmission Provider has conducted the required studies to determine whether such requests can be accommodated, and if so, under what terms and conditions, including the identification of any Direct Assignment Facilities or Customer-Funded Upgrades that must be constructed in order to provide the service or rights requested by New Service Customer;

WHEREAS, Transmission Provider's studies have identified the Direct Assignment Facilities and/or Customer-Funded Upgrades described in Appendix I of this Upgrade CSA as necessary to provide New Service Customer the service or rights it has requested; and

WHEREAS, New Service Customer: (i) desires that Transmission Owner construct the required Direct Assignment Facilities and/or Customer-Funded Upgrades; and (ii) agrees to assume cost responsibility for the design, engineering, procurement and construction of such Direct Assignment Facilities or Customer-Funded Upgrades in accordance with the PJM Tariff.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, together with other good and valuable consideration, the receipt and sufficiency is hereby mutually acknowledged by each Party, the Parties mutually covenant and agree as follows:

Article 1 – Definitions And Other Documents

1.0 Defined Terms.

All capitalized terms used in this Upgrade CSA shall have the meanings ascribed to them in Part I of the PJM Tariff or in definitions either in the body of this Upgrade CSA or its attached appendices. In the event of any conflict between defined terms set forth in the PJM Tariff or defined terms in this Upgrade CSA, such conflict will be resolved in favor of the terms as defined in this Upgrade CSA. Any provision of the PJM Tariff relating to this Upgrade CSA that uses any such defined term shall be construed using the definition given to such defined term in this Upgrade CSA.

1.1 Incorporation of Other Documents.

Subject to the provisions of Section 1.0 above, all portions of the PJM Tariff and the Operating Agreement as of the date of this Upgrade CSA, and as pertinent to the subject of this Upgrade CSA, are hereby incorporated herein and made a part hereof.

Article 2 – Responsibility For Direct Assignment Facilities or Customer-Funded Upgrades

2.0 New Service Customer Financial Responsibilities.

New Service Customer shall pay all Costs for the design, engineering, procurement and construction of the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA. An estimate of such Costs is provided in Appendix I to this Upgrade CSA.

2.1 Obligation to Provide Security.

New Service Customer shall provide Security to collateralize New Service Customer's obligation to pay the Costs incurred by Transmission Owner to construct the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA, less any Costs already paid by New Service Customer, in accordance with Sections 16.1, 213.1, and 213.4 of the PJM Tariff. Unless deferred under Section 213.4(c) of the PJM Tariff, New Service Customer shall deliver such Security to Transmission Provider prior to the Effective Date of this Upgrade CSA, as described in Appendix III. Unless otherwise specified by the Transmission

Provider, such Security shall take the form of a letter of credit, in the amount of \$_____ naming the Transmission Provider and Transmission Owner as beneficiaries.

[Include the following if New Service Customer requests deferral of the Security as provided for in Section 213.4(c) of the PJM Tariff:

For any portion of the Security that may be deferred in accordance with Section 213.4(c) of the PJM Tariff, and as requested by New Service Customer, New Service Customer shall provide the Security specified in this Section 2.1 within 120 days after the New Service Customer executes the Upgrade CSA, provided that New Service Customer shall pay a deposit of at least \$200,000 or 125% of the estimated costs that will be incurred during the 120-day period, whichever is greater, to fund continued design work and/or procurement activities, with \$100,000 of such deposit being non-refundable.]

2.2 Failure to Provide Security.

If the New Service Customer fails to provide Security in the amount, in the time or in the form required by Section 2.1, then this Upgrade CSA shall terminate immediately and the New Service Customer's Completed Application, Transmission Interconnection Request, or Upgrade Request, as applicable, shall be deemed terminated and withdrawn.

2.3 Costs.

In accordance with Sections 16.1 and 213.1 of the PJM Tariff, the New Service Customer shall pay for the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA based upon the Costs of the Direct Assignment Facilities or Customer-Funded Upgrades described in Appendix I. The New Service Customer's obligation to pay the Costs for the Direct Assignment Facilities or Customer-Funded Upgrades identified in Appendix I to this Upgrade CSA, whether greater or lesser than the amount of the Security specified in Section 2.1, will continue regardless of whether the New Service Customer takes Transmission Service pursuant to the terms of the Transmission Service Agreement as defined in Section 3.0 of this Upgrade CSA, if applicable.

2.4 Transmission Owner Responsibilities.

If the New Service Customer satisfies all requirements of this Article 2 and applicable requirements set forth in the PJM Tariff, Transmission Owner shall use Reasonable Efforts to construct or cause to be constructed the Direct Assignment Facilities and/or Customer-Funded Upgrades, identified in Appendix I to this Upgrade CSA, on its transmission system. Transmission Owner shall own the Direct Assignment Facilities and/or Customer-Funded Upgrades it has, or has arranged to have, constructed and shall have ongoing responsibility to maintain such Direct Assignment Facilities and/or Customer-Funded Upgrades consistent with the Operating Agreement and the Transmission Owner's Agreement.

Article 3 – Rights To Transmission Service

3.0 No Transmission Service.

This Upgrade CSA does not entitle the New Service Customer to take Transmission Service under the PJM Tariff. Transmission Provider shall provide Transmission Service to New Service Customer pursuant to a separate service agreement by and between New Service Customer and Transmission Provider dated as of the same effective date as this Upgrade CSA (the “Transmission Service Agreement”), if applicable.

Article 4 – Early Termination

4.0 Termination by New Service Customer.

Subject to the terms of Section 14 of Appendix III, New Service Customer may terminate this Upgrade CSA at any time by providing written notice of termination to Transmission Provider and Transmission Owner. New Service Customer’s notice of termination shall become effective sixty (60) calendar days after either the Transmission Provider or Transmission Owner receives such notice.

Article 5 – Rights

5.0 Rights.

Transmission Provider shall make available to New Service Customer the rights attributable to the Network Upgrades, Local Upgrades, or Merchant Network Upgrades identified in Appendix I to this Upgrade CSA. The rights, allocation and assignment procedures, duration and all other terms and procedures set forth in Subpart C of Part VI of the PJM Tariff and applicable PJM Manuals referenced therein regarding a New Service Customer assuming responsibility for Network Upgrades, Local Upgrades, or Merchant Network Upgrades to accommodate a New Service Request shall apply under this Agreement for the benefit of New Service Customer.

5.1 Amount of Rights Granted.

New Service Customer shall receive the following rights, subject to Section 5.2 below and the applicable terms of the PJM Tariff:

Incremental Auction Revenue Rights. Pursuant to Section 231 of the PJM Tariff, New Service Customer shall have Incremental Auction Revenue Rights in the following quantities between the indicated source(s) and sink(s):

Incremental Available Transfer Capability Revenue Rights. Pursuant to Section 233 of the PJM Tariff, New Service Customer shall have Incremental Available Transfer Capability Revenue Rights at _____ in the following quantities:
_____.

Incremental Capacity Transfer Rights. Pursuant to Section 234 of the PJM Tariff, New Service Customer shall have Incremental Capacity Transfer Rights in the following quantities into the indicated Locational Deliverability Area:

Incremental Deliverability Rights. Pursuant to Section 235 of the PJM Tariff, New Service Customer shall have Incremental Deliverability Rights at _____ in the following quantities: _____.

5.2 Availability of Rights Granted.

New Service Customer's rights as described in Section 5.1 shall become effective upon the completion of (i) the Network Upgrades, Local Upgrades, or Merchant Network Upgrades identified in this Upgrade CSA, and, if applicable, (ii) the transmission upgrade projects noted as contingencies in Appendix I of this Upgrade CSA.

5.3 Credits.

New Service Customer will not be eligible for any credits against transmission service rates under the PJM Tariff for the value of the Network Upgrades, Local Upgrades, or Merchant Network Upgrades for which it will pay under this Agreement, as described in Section 5.1.

Article 6 – Miscellaneous

6.0 Notices.

Any notice or request made to or by any Party regarding this Upgrade CSA shall be made to the Parties, as indicated below:

Transmission Provider:

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

New Service Customer:

Transmission Owner:

6.1 Waiver.

No waiver by any Party of one or more Defaults by another in performance of any of the provisions of this Upgrade CSA shall operate or be construed as a waiver of any other or further Default or Defaults, whether of a like or different character.

6.2 Amendment.

This Upgrade CSA or any part thereof, may not be amended, modified or waived other than by a writing signed by all Parties.

6.3 No Partnership.

Notwithstanding any provision of this Upgrade CSA, the Parties do not intend to create hereby any joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit.

6.4 Counterparts.

This Upgrade CSA may be executed in multiple counterparts to be construed as one effective as of the Effective Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Upgrade CSA to be executed by their respective authorized officials.

(PJM Queue Position #_____)

Transmission Provider: PJM Interconnection, L.L.C.

By: _____
Name Title Date

Printed name of signer: _____

New Service Customer: [Name of New Service Customer]

By: _____
Name Title Date

Printed name of signer: _____

Transmission Owner: [Name of Transmission Owner]

By: _____
Name Title Date

Printed name of signer: _____

Section(s) of the
PJM Operating Agreement
(Clean Format)

2.3 Place of Business.

The location of the principal place of business of the LLC shall be 2750 Monroe Blvd., Audubon, Pennsylvania 19403. The LLC may also have offices at such other places both within and without the State of Delaware as the PJM Board may from time to time determine or the business of the LLC may require.

**SCHEDULE 10 -
FORM OF NON-DISCLOSURE AGREEMENT**

THIS NON-DISCLOSURE AGREEMENT (the “Agreement”) is made this ____ day of _____, 20__, by and between _____, an Authorized Person, as defined below, and PJM Interconnection, L.L.C., a Delaware limited liability company, with offices at 2750 Monroe Blvd., Audubon, PA 19403 (“PJM”). The Authorized Person and PJM shall be referred to herein individually as a “Party,” or collectively as the “Parties.”

RECITALS

Whereas, PJM serves as the Regional Transmission Organization with reliability and/or functional control responsibilities over transmission systems involving fourteen states including the District of Columbia, and operates and oversees wholesale markets for electricity pursuant to the requirements of the PJM Tariff and the Operating Agreement, as defined below; and

Whereas, the PJM Market Monitor serves as the monitor for PJM’s wholesale markets for electricity, and

Whereas, the Operating Agreement requires that PJM and the PJM Market Monitor maintain the confidentiality of Confidential Information; and

Whereas, the Operating Agreement requires PJM and the PJM Market Monitor to disclose Confidential Information to Authorized Persons upon satisfaction of conditions stated in the Operating Agreement, which may include, but are not limited to, the execution of this Agreement by the Authorized Person and the maintenance of the confidentiality of such information pursuant to the terms of this Agreement; and

Whereas, PJM desires to provide Authorized Persons with the broadest possible access to Confidential Information, consistent with PJM’s and the PJM Market Monitor’s obligations and duties under the PJM Operating Agreement, the PJM Tariff and other applicable FERC directives; and

Whereas, this Agreement is a statement of the conditions and requirements, consistent with the requirements of the Operating Agreement, whereby PJM or the PJM Market Monitor may provide Confidential Information to the Authorized Person.

NOW, THEREFORE, intending to be legally bound, the Parties hereby agree as follows:

5. Notices.

All notices required pursuant to the terms of this Agreement shall be in writing, and served upon the following individuals in person, or at the following addresses or email addresses:

If to the Authorized Person:

(email address)

with a copy to

(email address)

If to PJM:

General Counsel
2750 Monroe Blvd.
Audubon, PA 19403
Vincent.Duane@pjm.com

If to the PJM Market Monitor:

Monitoring Analytics, LLC
[address and contact information]

1.5

Any and all costs associated with the imposition of NERC Reliability Standards penalties that may be assessed against PJM either directly by NERC or allocated by a Member or Members under this Schedule shall be (i) paid by PJM notwithstanding the limitation of liability provisions in Section 16 of the Operating Agreement; and (ii) recovered as set forth in Schedule 9 of the PJM Tariff, or as otherwise approved by the FERC.

**Joint Operating Agreement
Between the
Midwest Independent Transmission System Operator, Inc.
And
PJM Interconnection, L.L.C.**

**ARTICLE I
RECITALS**

This Joint Operating Agreement (“Agreement”) dated this 31st day of December, 2003, by and between PJM Interconnection, L.L.C. (“PJM”) a Delaware limited liability company having a place of business at ~~955 Jefferson Avenue~~2750 Monroe Blvd., ~~Valley Forge Corporate Center, Norristown~~Audubon, Pennsylvania 19403, and the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”), a Delaware non-stock corporation having a place of business at 701 City Center Drive, Carmel, Indiana 46032.

WHEREAS, PJM is the regional transmission organization that provides operating and reliability functions in portions of the mid-Atlantic and Midwest States. PJM also administers an open access tariff for transmission and related services on its grid, and independently operates markets for day-ahead, real-time energy, and financially firm transmission rights;

WHEREAS, the Midwest ISO is the regional transmission organization that provides operating and reliability functions in portions of the Midwest States and Canadian Provinces. The Midwest ISO administers an open access tariff for transmission and related services on its grid, and is developing processes and systems to operate markets to facilitate trading of day-ahead, real-time energy, and financially firm transmission rights;

WHEREAS, the Federal Energy Regulatory Commission has ordered each regional transmission organization to develop mechanisms to address inter-regional coordination;

WHEREAS, on February 12, 2003, the Parties entered into the Agreement Concerning Inter-regional Coordination, Including Development of Joint and Common Market (“Joint and Common Market Agreement”), which provides for the establishment of an Inter-RTO Steering Committee to facilitate development of the Joint and Common Market and resolution of seams issues between the Parties;

WHEREAS, certain other electric utilities will be integrated into the systems and markets PJM administers and controls, and it is recognized that such integration may result in changed flows on the systems of PJM and the Midwest ISO as they exist prior to such integration;

WHEREAS, in accordance with good utility practice and in accordance with the directives of the Federal Energy Regulatory Commission, the Parties seek to establish exchanges of information and establish or confirm other arrangements and protocols in furtherance of the reliability of their systems and efficient market operations, and to give effect to other matters required by the Federal Energy Regulatory Commission;

NOW, THEREFORE, for the consideration stated herein, and for other good and valuable consideration, including the Parties' mutual reliance upon the covenants contained herein, the receipt of which hereby is acknowledged, PJM and the Midwest ISO hereby agree as follows:

18.10 Notice.

Whether expressly so stated or not, 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 by hand or reputable overnight courier:

PJM Interconnection, L.L.C.

~~955 Jefferson Avenue~~2750 Monroe Blvd.

~~Norristown~~Audubon, PA ~~-19403-2947~~

Attention: General Counsel

Midwest Independent Transmission System Operator, Inc.

For Parcels:

701 City Center Drive

Carmel, Indiana 46032

Attention: General Counsel

For U.S. Mail:

P.O. Box 4202

Carmel, Indiana 46082-4202

Attention: General Counsel

**JOINT OPERATING AGREEMENT
AMONG AND BETWEEN
PJM INTERCONNECTION, L.L.C., AND
PROGRESS ENERGY CAROLINAS**

This Amended and Restated Joint Operating Agreement (“Agreement”) dated this __th day of January, 2010, is entered into among and between the following parties:

PJM Interconnection, L.L.C. (“PJM”) a Delaware limited liability company having a place of business at ~~955 Jefferson Avenue~~2750 Monroe Blvd., ~~Valley Forge Corporate Center, Norristown~~Audubon, Pennsylvania 19403

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (“PEC”), a corporate entity of the state of North Carolina having a place of business at 411 Fayetteville Street, Raleigh, North Carolina 27601.

20.11 Notices.

A notice (“Notice”) shall be effective only if in writing and delivered by: hand; reputable overnight courier; United States mail; or telefacsimile. Electronic mail is not effective Notice. Notice shall be deemed to have been given: (a) when delivered to the recipient by hand, overnight courier, or telefacsimile or (b) if delivered by United States mail, on the postmark date. Notice shall be addressed as follows:

PJM:	Michael J. Kormos Senior Vice President, Operations PJM Interconnection, L.L.C. 955 Jefferson Avenue <u>2750 Monroe Blvd.</u> Valley Forge Corporate Center Norristown <u>Audubon</u> , PA 19403- 2497 Tel: (610) 666-4377 Fax: (610) 666-4281
PEC:	Caren Anders Vice President – Transmission, Operations and Planning Progress Energy Carolinas, Inc. 411 Fayetteville Street Raleigh, North Carolina 27601 Tel: (919) 546-7497 Fax: (919) 546-7175

A Party may change its designated recipient of Notices, or its address, from time to time, by giving Notice of such change.

**Joint Operating Agreement
Between the
Midwest Independent Transmission System Operator, Inc.
And
PJM Interconnection, L.L.C.**

**ARTICLE I
RECITALS**

This Joint Operating Agreement (“Agreement”) dated this 31st day of December, 2003, by and between PJM Interconnection, L.L.C. (“PJM”) a Delaware limited liability company having a place of business at 2750 Monroe Blvd., Audubon, Pennsylvania 19403, and the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”), a Delaware non-stock corporation having a place of business at 701 City Center Drive, Carmel, Indiana 46032.

WHEREAS, PJM is the regional transmission organization that provides operating and reliability functions in portions of the mid-Atlantic and Midwest States. PJM also administers an open access tariff for transmission and related services on its grid, and independently operates markets for day-ahead, real-time energy, and financially firm transmission rights;

WHEREAS, the Midwest ISO is the regional transmission organization that provides operating and reliability functions in portions of the Midwest States and Canadian Provinces. The Midwest ISO administers an open access tariff for transmission and related services on its grid, and is developing processes and systems to operate markets to facilitate trading of day-ahead, real-time energy, and financially firm transmission rights;

WHEREAS, the Federal Energy Regulatory Commission has ordered each regional transmission organization to develop mechanisms to address inter-regional coordination;

WHEREAS, on February 12, 2003, the Parties entered into the Agreement Concerning Inter-regional Coordination, Including Development of Joint and Common Market (“Joint and Common Market Agreement”), which provides for the establishment of an Inter-RTO Steering Committee to facilitate development of the Joint and Common Market and resolution of seams issues between the Parties;

WHEREAS, certain other electric utilities will be integrated into the systems and markets PJM administers and controls, and it is recognized that such integration may result in changed flows on the systems of PJM and the Midwest ISO as they exist prior to such integration;

WHEREAS, in accordance with good utility practice and in accordance with the directives of the Federal Energy Regulatory Commission, the Parties seek to establish exchanges of information and establish or confirm other arrangements and protocols in furtherance of the reliability of their systems and efficient market operations, and to give effect to other matters required by the Federal Energy Regulatory Commission;

NOW, THEREFORE, for the consideration stated herein, and for other good and valuable consideration, including the Parties' mutual reliance upon the covenants contained herein, the receipt of which hereby is acknowledged, PJM and the Midwest ISO hereby agree as follows:

18.10 Notice.

Whether expressly so stated or not, 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 by hand or reputable overnight courier:

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

Midwest Independent Transmission System Operator, Inc.

For Parcels:
701 City Center Drive
Carmel, Indiana 46032
Attention: General Counsel

For U.S. Mail:
P.O. Box 4202
Carmel, Indiana 46082-4202
Attention: General Counsel

**JOINT OPERATING AGREEMENT
AMONG AND BETWEEN
PJM INTERCONNECTION, L.L.C., AND
PROGRESS ENERGY CAROLINAS**

This Amended and Restated Joint Operating Agreement (“Agreement”) dated this ___th day of January, 2010, is entered into among and between the following parties:

PJM Interconnection, L.L.C. (“PJM”) a Delaware limited liability company having a place of business at 2750 Monroe Blvd., Audubon, Pennsylvania 19403

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (“PEC”), a corporate entity of the state of North Carolina having a place of business at 411 Fayetteville Street, Raleigh, North Carolina 27601.

20.11 Notices.

A notice (“Notice”) shall be effective only if in writing and delivered by: hand; reputable overnight courier; United States mail; or telefacsimile. Electronic mail is not effective Notice. Notice shall be deemed to have been given: (a) when delivered to the recipient by hand, overnight courier, or telefacsimile or (b) if delivered by United States mail, on the postmark date. Notice shall be addressed as follows:

PJM:	Michael J. Kormos Senior Vice President, Operations PJM Interconnection, L.L.C. 2750 Monroe Blvd. Audubon, PA 19403 Tel: (610) 666-4377 Fax: (610) 666-4281
PEC:	Caren Anders Vice President – Transmission, Operations and Planning Progress Energy Carolinas, Inc. 411 Fayetteville Street Raleigh, North Carolina 27601 Tel: (919) 546-7497 Fax: (919) 546-7175

A Party may change its designated recipient of Notices, or its address, from time to time, by giving Notice of such change.