

BILLING SERVICES AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of the ____ day of _____, 20____, by and among PJM Interconnection, L.L.C., having an office at 2750 Monroe Blvd., Audubon, Pennsylvania 19403; PJM Settlement, Inc., having an office at 2750 Monroe Blvd., Audubon, Pennsylvania 19403 (collectively, "PJM"); _____ having an office at _____ ("Payee"); and _____, having an office at _____ ("Payor").

Whereas, Payee, a PJM Member, has requested that PJM issue a one-time billing adjustment on its behalf to the Payor who is also a PJM Member. Payor and Payee warrant and represent that they have entered into a binding, legally enforceable agreement pursuant to which the Payor has agreed to compensate Payee for money due to Payee from Payor for [meter errors that could not be corrected by PJM because they were not reported to PJM prior to the deadline set forth in the PJM Open Access Transmission Tariff ("Tariff") and/or Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("Operating Agreement"), as applicable] [load reconciliation that could not be corrected by PJM because it was not reported to PJM prior to the deadline set forth in the Tariff and/or Operating Agreement, as applicable] [_____ described in the _____ Agreement entered into between Payor and Payee ("_____ Agreement")]; [BRACKET LANGUAGE IS A PLACEHOLDER; FOR THE ACTUAL BILLING SERVICES AGREEMENT, THE APPROPRIATE EXPLANATION WILL BE INSERTED];

Whereas, Payor agrees to this billing adjustment, and that the amount thereof as indicated in Attachment A hereto, is accurate as to such Payor;

[Whereas, PJM has not reviewed the _____ Agreement, and Payor and Payee recognize, accept and intend that PJM will rely upon the truth, accuracy and completeness of the premises and information provided herein;] -- [ONLY NEED THIS LANGUAGE IF THERE IS AN AGREEMENT BETWEEN PAYOR AND PAYEE THAT PRESCRIBES THE REQUESTED ADJUSTMENT]

Whereas, PJM has agreed to issue the requested billing adjustment under the terms and conditions specified herein.

NOW, THEREFORE, in consideration of the foregoing premises and the respective agreements hereinafter set forth and the mutual benefits derived herefrom, the parties agree as follows.

Section 1. Payee shall provide to PJM the name of the Payor for whom a billing adjustment should be issued, the amount of the adjustment, the reason for the adjustment, and any other relevant information necessary for PJM to document and effectuate the billing adjustment. PJM will issue the adjustment using this information, and will not (and has no obligation to) confirm with the Payor the accuracy of the information, nor confirm the calculations provided to PJM.

Section 2. PJM will notify the Payor in advance of the approximate timeframe in which PJM will issue the billing adjustment, if practical, or, if appropriate include an explanation in its Special Notes section of the billing notification emails.

Section 3. PJM will only remit to Payee the funds that it has received from the Payor with respect to the referenced billing adjustment. Therefore, PJM will reduce payments to, or “short pay,” Payee in the amount associated with any underpaid special adjustment charge.

Section 4. The Payor shall not be deemed to be in breach of the PJM Open Access Transmission Tariff (“Tariff”), Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”) or Reliability Assurance Agreement Among Load Serving Entities in the PJM Region (“RAA”), nor will PJM consider the Payor to be in default under the Tariff or Operating Agreement, for failure to pay or to timely pay any amount owed to Payee under this Agreement for which Payee has asked PJM to issue the referenced billing adjustment. If a Payor at any time objects to the billing adjustment, does not agree to the billing adjustment and/or refuses to remit funds to PJM for the billing adjustment, PJM will not consider nor declare such non-paying or underpaying Payor in default on an obligation owed to PJM under the Tariff/Operating Agreement. In such case, Payee remains liable to PJM for the amount in question. PJM will not pursue collection of the amounts subject to the referenced billing adjustment nor will PJM issue a Default Allocation Assessment as the billing adjustment is not an adjustment under the Tariff, Operating Agreement or RAA, but an adjustment requested by Payor and Payee to further their business needs.

Section 5. PJM shall retain custody of any funds remitted by the Payor pursuant to the referenced billing adjustment for a period of thirty (30) days before it transfers the funds to Payee. This holding period is required to reduce the administrative burden on PJM for issuing then reversing billing adjustments should a Payor notify PJM that it objects to the billing adjustment.

Section 6. The amounts that are the subject of the referenced billing adjustment will not impact the Payor’s credit requirements. PJM will not deduct from the collateral held by PJM for the Payor’s market activity in PJM any of the funds that Payor is requesting that PJM credit to Payee.

Section 7. The amounts received from Payor that are the subject of the referenced billing adjustment are a financial adjustment only and will not be applied to any future adjustment.

Section 8. Payee and Payee agree to pay PJM as compensation for the billing services rendered under this Agreement the greater of:

- a. \$110/hour for PJM staff or consultant time to review the adjustment request, communicate with Payor and/or Payee about the request, prepare relevant documents related to the adjustment request, and process the billing adjustment; or
- b. \$110 flat processing fee to cover PJM’s costs.

Section 9. Neither PJM nor its directors, officers, employees, agents, or representatives shall be liable to Payor, Payee or their directors, officers, employees, agents, or representatives, whether liability arises out of contract, tort (including negligence), strict liability, or any other cause of or form of action whatsoever, for any indirect, incidental, consequential, special or punitive cost, expense, damage or loss, including but not limited to loss of profits or revenues, attorney’s fees and costs, and costs of any nature whatsoever, arising from such PJM’s performance or failure to perform any of its obligations under this Agreement. To the fullest extent permitted by law, and notwithstanding any other provisions of this Agreement, the total

liability, in the aggregate, of PJM and PJM's officers directors, employees, board members and agents for any and all claims, losses, costs or damages, including attorney's fees and costs, and costs of any nature whatsoever related to this Agreement shall not exceed the amount paid to PJM pursuant to Section 9 herein. This limitation of liability provision does not apply to damages or costs incurred due to PJM's gross negligence or recklessness.

Section 10. Payor and Payee, jointly and severally, shall at all times indemnify, defend, and save PJM, its directors, managers, members, shareholders, officers and employees harmless from, any and all damages, losses, claims, including demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from PJM's performance of its obligations under this Agreement.

Section 11. This Agreement shall be in effect for the period of time it takes to issue the referenced one-time billing adjustments, Payor at any time objects to the billing adjustment, or until such time as any party notifies PJM of its intention to terminate this Agreement as to such party. PJM may accept and act upon a written termination notice from either party, but is not required to do so if in PJM's sole discretion, such termination could impact its regular settlement processes. In such case, PJM shall so notify the party providing notice, and such party shall remain bound by its obligations hereunder.

Section 12. The parties agree that PJM shall perform services hereunder as an independent contractor, and neither PJM nor its officers or employees shall be considered employees or agents of the Payor or the Payee as a result of this agreement.

Section 13. This Agreement (a) contains the complete and entire understanding and agreement of the parties with respect to the subject matter hereof, (b) supersedes all prior and contemporaneous understandings, conditions and agreements, oral or written, express or implied, with respect to the engagement of PJM for the services provided hereunder, and (c) may not be modified with respect to any party hereunder except by an instrument in writing executed by such party and PJM. This Agreement shall not be construed to modify the Tariff, Operating Agreement, RAA, or any other PJM governing agreement.

Section 14. The waiver by any party of a breach of any provision of this Agreement by any other party shall not operate or be construed as a waiver of any subsequent breach of that provision or any other provision hereof.

Section 15. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but which together shall constitute one and the same instrument.

Section 16. This Agreement shall be governed by, construed and interpreted according to the laws of the Commonwealth of Pennsylvania, without regard to principles of conflicts of law. Further, the venue for any litigation arising out of this Agreement shall be exclusively in the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, PJM and the parties have executed this Agreement.

PJM SETTLEMENT, INC.

PJM INTERCONNECTION, L.L.C.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

PAYEE: _____

PAYOR: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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ATTACHMENT A

Billing Adjustment for _____ for the period of time from _____,
20____ to _____, 20_____.

Total amount due from Payor to Payee is \$_____

Applicable spreadsheet with further details about the billing adjustment, if any, is attached.

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