January 16, 2014

Via Electronic Filing

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

Re: Trans-Allegheny Interstate Line Company and Pennsylvania Electric Company, Filing of Original Service Agreement No. 3690 and REQUEST FOR COMMISSION ORDER BY FEBRUARY 10, 2014
Docket No. ER14-000-000

Dear Ms. Bose:

Pursuant to section 205 of the Federal Power Act (“FPA”)\(^1\) and Part 35 of the Federal Energy Regulatory Commission’s (“Commission’s”) Rules of Practice and Procedure,\(^2\) Trans-Allegheny Interstate Line Company (“TrAILCo”) and Pennsylvania Electric Company (“Penelec,” and together with TrAILCo, the “Applicants”), as agent for the Switching Station Owners,\(^3\) are each a Transmission Owner member of the PJM Interconnection, L.L.C. (“PJM”) and hereby submit for filing the Interconnection Agreement (“IA”) between TrAILCo and the Switching Station Owners.\(^4\) Consistent with Commission precedent, PJM is also a signatory to

\(^{1}\) 16 U.S.C. § 824d.
\(^{2}\) 18 C.F.R. Part 35.
\(^{4}\) Pursuant to Order No. 714, this filing is submitted by PJM on behalf of TrAILCo and Penelec as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of

405 Lexington Avenue New York, NY 10174-0208
www.BlankRome.com
the IA for the limited purpose of acknowledging that a representative officer of PJM has read the IA.\textsuperscript{5}

The Applicants hereby request the Commission’s expedited review, a shortened comment period, the Commission’s acceptance for filing of the IA on or before February 10, 2014, and an effective date of February 10, 2014.

I. Description of Applicants and Background

TrAILCo is a Maryland corporation that owns and operates facilities for the transmission of electric power and energy in West Virginia, Pennsylvania, and Virginia, and is a Transmission Owner member of PJM. The Switching Station Owners are a group of entities that own switching station transmission facilities (collectively, the “Switching Station”) connected to the Conemaugh Generating Station located in Indiana County, Pennsylvania. The Switching Station Owners are parties to the Conemaugh Interconnection Service Agreement, PJM Original Service Agreement No. 3378, which became effective as of July 9, 2012 in FERC Docket No. ER12 2423-000.

In 2009, PJM conducted a Market Efficiency Analysis that led to a new efficiency transmission project referred to as “Project b1153” (or the “Project”) under PJM’s Regional Transmission Expansion Plan (“RTEP”). TrAILCo is undertaking Project b1153 which involves the construction of a new 230 kV transmission line between the Switching Station and Penelec’s Seward Substation. The IA concerns the interconnection at the Switching Station which TrAILCo expects to energize in February 2014.\textsuperscript{6}

II. Description of the IA

The IA is a new transmission (“utility-to-utility”) interconnection agreement for the interconnection of TrAILCo’s new 230 kV transmission line, constructed in accordance with PJM’s RTEP Project b1153, at the Switching Station. Under this agreement, the Switching Station Owners are collectively referred to as the Interconnected Transmission Owner and have designated Penelec, the current operator of the Switching Station, as their agent to undertake the obligations of the Interconnected Transmission Owner under the IA.

the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, the Applicants requested that PJM submit the IA in the eTariff system as part of PJM’s electronic Service Agreements Tariff.\textsuperscript{5} See Am. Elec. Power Serv. Corp., 110 FERC ¶ 61,276, order on reh’g 112 FERC ¶ 61,128 (2005).
\textsuperscript{6} The commercial operation of the Project was originally scheduled to occur in January of 2014 but is now scheduled to commence as early as February 10, 2014.
In accordance with the Commission’s precedent and PJM’s rules, the IA has been designated Original Service Agreement No. 3690. The terms of the IA do not directly affect rates or otherwise impact customers. As the Project arises from PJM’s RTEP process, any associated cost recovery will occur in accordance with Schedule 12 of the PJM Tariff.

III. Request for Expedited Review and Waiver of Notice Requirement

As discussed herein, Project b1153 is a market efficiency project mandated by PJM under its RTEP process. TrAILCo has already constructed the line and it is ready for testing and commissioning at the Switching Station. The next opportunity for TrAILCo to undertake such testing and commissioning is during an outage it has scheduled for February 10, 2014. In order to realize the efficiency benefits resulting from Project b1153 as soon as possible, the Applicants would like to conduct testing and commissioning on that date. Thus, good cause exists for expedited consideration, and the Applicants respectfully request that the Commission establish a shortened comment period, issue an order accepting the IA on or before February 10, 2014 and grant an effective date of February 10, 2014.

Applicants respectfully request that the Commission grant a waiver of the 60-day notice requirement\(^7\) to allow the effective date to be February 10, 2014. Good cause exists for the granting of this waiver and the Commission has granted such a waiver in similar proceedings.\(^8\) Applicants also hereby respectfully request any other waivers of the Commission’s regulations necessary to give effect to the IA as requested by the Applicants.

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\(^7\) 18 C.F.R. § 35.3.
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IV. Communications

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

Randall B. Palmer
Senior Corporate Counsel
FirstEnergy Service Company
76 South Main Street
Akron, OH 44313
Phone: (724) 838-6894
rpalmer@firstenergycorp.com
Counsel for the TrAILCo & Penelec

Nicholas A. Giannasca
Carlos E. Gutierrez
Blank Rome LLP
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Phone: (212) 885-5000
ngiannasca@BlankRome.com
cgutierrez@BlankRome.com
Counsel for TrAILCo & Penelec

V. Documents Submitted With This Filing

In accordance with the Commission’s eTariff regulations, PJM, on behalf of TrAILCo and Penelec, is submitting an eTariff XML filing package containing the following materials:

- this transmittal letter;
- the IA with metadata attached;
- a clean copy of the IA in PDF format for publishing in eLibrary; and
- a PDF document with all the signatures pages of the parties to the IA for publishing in eLibrary.
VI. Conclusion

For the reasons set forth herein, the Applicants request that the Commission grant a shortened comment period and a waiver of the 60-day notice requirement and accept this filing by February 10, 2014, with an effective date of February 10, 2014. Applicants hereby respectfully request any other waivers of the Commission’s regulations necessary to give effect to the IA as requested by the Applicants. Please direct any questions to the undersigned.

Respectfully submitted,

/s/ Carlos E. Gutierrez

Nicholas A. Giannasca
Carlos E. Gutierrez
Counsel for TrAILCo and Penelec
ATTACHMENT A

EXECUTED INTERCONNECTION AGREEMENT

ORIGINAL SERVICE AGREEMENT NO. 3690
INTERCONNECTION AGREEMENT

between

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

and

ATLANTIC CITY ELECTRIC COMPANY,
BALTIMORE GAS AND ELECTRIC COMPANY,
DELMARVA POWER & LIGHT COMPANY,
METROPOLITAN EDISON COMPANY,
PPL ELECTRIC UTILITIES CORPORATION,
PECO ENERGY COMPANY,
UGI UTILITIES, INC.
POTOMAC ELECTRIC POWER COMPANY, AND
PUBLIC SERVICE ELECTRIC & GAS COMPANY

December 23, 2013
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INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT ("Agreement") is made and entered into as of this 23rd day of December, 2013, between Trans-Allegheny Interstate Line Company ("TrAILCo"), and Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Metropolitan Edison Company, PPL Electric Utilities Corporation, PECO Energy Company, UGI Utilities Inc., Potomac Electric Power Company, and Public Service Electric & Gas Company (each a “Switching Station Owner” and, collectively, the “Interconnected Transmission Owner” or the “Switching Station Owners”). For purposes of this Agreement, the Switching Station Owners have designated Pennsylvania Electric Company to act as their agent for purposes of performing certain of the obligations of the Interconnected Transmission Owner under this Agreement. TrAILCo and the Interconnected Transmission Owner may each be referred to herein individually as a “Party” or collectively as the “Parties”. For the avoidance of doubt, the terms “Party” and “Parties” as used herein shall not include PJM Interconnection, L.L.C. (“PJM”), or any successor Regional Transmission Organization (“RTO”).

W I T N E S S E T H:

WHEREAS, TrAILCo is a Maryland corporation that owns and operates facilities for the transmission of electric power and energy in West Virginia, Pennsylvania, and Virginia, and is a Transmission Owner member of PJM;

WHEREAS, the Switching Station Owners are a group of entities that own switching station transmission facilities (collectively the “Switching Station”) connected to the Conemaugh Generating Station, owned by the Conemaugh Station Owners, located in Indiana County, Pennsylvania;

WHEREAS, the Switching Station Owners are parties to the Conemaugh Interconnection Service Agreement, PJM Original Service Agreement No. 3378, which became effective as of July 9, 2012 in Federal Energy Regulatory Commission (“FERC”) Docket No. ER12-2423-000 (the “Conemaugh ISA”). The Conemaugh ISA superseded the Interconnection Agreement between Conemaugh Station Owners and the Switching Station Owners dated November 19, 1999 and accepted for filing by FERC by order effective November 24, 1999 in FERC Docket No. ER01-897-002;

WHEREAS, the Switching Station Owners are parties to the Extra High Voltage System Agreement (“EHV Agreement”), dated April 26, 1967, as amended, which provided for the construction of the Switching Station and established an Administrative Committee (the “Committee”) that oversees operational and financial matters in connection with the Switching Station;

WHEREAS, the Interconnected Transmission Owner’s transmission facilities (including conductors, circuit breakers, switches, transformers, metering equipment, Data Acquisition System (“DAS”) Equipment, and other associated equipment used to control or measure the transfer of energy from one place to another), including any modifications, additions or upgrades
made thereto (collectively, the “Interconnected Transmission Owner’s Transmission System” or a “Transmission System”) are currently under the functional and operational control of PJM;

WHEREAS, TrAILCo’s 230 kV transmission line interconnection at the Switching Station and transmission facilities located at the Switching Station (including conductors, circuit breakers, switches, transformers, metering equipment, DAS Equipment, and other associated equipment used to control or measure the transfer of energy from one place to another), including any modifications, additions or upgrades made thereto (collectively, the “TrAILCo Transmission System” or a “Transmission System”) are under the functional control of PJM;

WHEREAS, TrAILCo’s construction, operation and maintenance of a new 230 kV transmission line that will interconnect at the Switching Station arises from the PJM Regional Transmission Expansion Plan (“RTEP”) “Project b1153” as identified in a 2009 PJM Market Efficiency Analysis; and

WHEREAS, the FERC, has required the Parties to this Agreement to include PJM as a signatory to this Agreement in order to ensure that PJM is kept fully apprised of the matters addressed herein and so that PJM may be kept aware of any reliability and planning issues that may arise.

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

ARTICLE 1 INTERCONNECTED OPERATION

1.1 Interconnected Operation

The TrAILCo Transmission System and the Interconnected Transmission Owner’s Transmission System shall be interconnected at the Interconnection Point specified and described in Appendix I of this Agreement. The Parties, by amendment to this Agreement, may mutually agree to add, discontinue or modify the Interconnection Point and such additional, discontinued or modified Interconnection Point shall be reflected in a revised Appendix I.

1.2 Continuity of Interconnected Operation

The Parties shall, during the term of this Agreement, continue to maintain in service each Party’s respective Transmission System, interconnection facilities and essential terminal equipment necessary to maintain in a safe and reliable manner the Interconnection Point specified and described in Appendix I of this Agreement.

1.3 Initial Operation

The following requirements shall be satisfied prior to initial operation of the TrAILCo Project Facilities:

1.3.1 The construction of all interconnection facilities necessary for the interconnection of the TrAILCo Project Facilities has been completed.
1.3.2 The Interconnected Transmission Owner and TrAILCo have all necessary systems and personnel in place to allow for parallel operation of their respective facilities.

ARTICLE 2 CONSTRUCTION

2.1 Scope of Work

The Interconnection Work to be performed by TrAILCo and its Contractor(s) is depicted in the diagrams contained in Appendix I and described in detail in Appendix II of this Agreement, “Scope of Work.” All Interconnection Work performed by TrAILCo must comply with the requirements of Good Utility Practice, including the National Electrical Safety Code (“NESC”), and pertinent PJM design criteria.

2.2 Location of Interconnection Work and Access

The Interconnection Work shall be performed at the Switching Station owned by the Interconnected Transmission Owner, as shown in Appendix I. The Interconnected Transmission Owner agrees to grant TrAILCo and its Contractors the physical access necessary for TrAILCo to perform the Interconnection Work and for TrAILCo to operate and maintain the TrAILCo Project Facilities. TrAILCo shall comply with all safety rules applicable to the area to which access is obtained.

2.3 Ownership

TrAILCo will, at its own expense, construct, own, operate and maintain all the TrAILCo Project Facilities in accordance with the requirements of Good Utility Practice, including, the NESC, and pertinent PJM design criteria. TrAILCo shall also be responsible for Common Costs/Expenses as determined in accordance with Article 7 of this Agreement.

ARTICLE 3 SERVICE CONDITIONS

3.1 Avoidance of Unauthorized Use and Control of System Disturbance

Each Party shall have facilities or contractual arrangements adequate to serve its own load and shall exercise reasonable care to design, construct, maintain, and operate its Transmission System, in accordance with Good Utility Practice, and in such manner as to avoid the unauthorized utilization of the generation or transmission facilities of any other person (hereinafter referred to as “Unauthorized Use”). Neither Party shall be obligated to receive or deliver real or reactive power when to do so might introduce objectionable operating conditions on its Transmission System. Each Party may install and operate on its Transmission System such relays, disconnecting devices, and other equipment, as it may deem reasonably appropriate for the protection of its Transmission System or prevention of Unauthorized Use. Each Party shall maintain and operate its respective Transmission System so as to reasonably minimize, in accordance with Good Utility Practice, the likelihood of a disturbance originating in its Transmission System, which might cause impairment to the service of the other Party or of any transmission system interconnected with the Transmission System of the other Party.
3.2 **Interruption of Service**

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

3.3 **Operating Responsibilities**

Each Party shall maintain its Transmission System, including the transmission equipment and facilities, consistent with Good Utility Practice in order to permit the Parties to operate their respective Transmission Systems as required by this Agreement and in accordance with PJM Requirements. Operating arrangements for facility maintenance shall be coordinated between operating personnel of the Parties’ respective control centers. Except as may be necessary and appropriate in an emergency, all operating arrangements shall be coordinated with, and consistent with, the practices of, PJM.

3.4 **Energy Losses**

The energy losses on the interconnected facilities shall be assigned to the appropriate Party based on PJM Requirements.

3.5 **Compliance with Law**

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

3.6 **Cooperation Associated with NERC Reliability Standards**

If either Party: 1) is subject to a data request, self-certification or an audit of applicable NERC Reliability Standards associated with the facilities subject to this Agreement by FERC, NERC, PJM or a NERC Regional Entity; or 2) is required to comply with NERC Reliability Standards with respect to facilities subject to this Agreement, then the Parties shall cooperate in a timely fashion and to the extent necessary to demonstrate compliance with such NERC Reliability Standards associated with the facilities subject to this Agreement.

3.7 **Outage Restoration**

In the event of an outage that affects the Interconnected Transmission Owner’s Transmission System and/or the TrAILCo Transmission System, each Party agrees to coordinate with the other and use reasonable efforts to restore such impacted facilities to service promptly, consistent with
the practices of PJM and in accordance with Good Utility Practice and Applicable Laws and Regulations.

**ARTICLE 4 INTERCONNECTION POINT, METERING AND DATA ACQUISITION SYSTEM EQUIPMENT**

4.1 **Interconnection Point**

All electric energy transmitted under this Agreement shall be of the character commonly known as three-phase 60 Hz energy and shall flow to the Interconnection Point identified in Appendix I of this Agreement at standard nominal voltage or such other voltages as may be required by PJM.

4.2 **Metering and Data Acquisition System Equipment**

Consistent with Appendix III and Appendix IV of this Agreement, TrAILCo or the Interconnected Transmission Owner shall install and maintain metering equipment and DAS Equipment at the Interconnection Point for measuring electric energy for the purpose of determining load, effecting settlements, and monitoring and telemetering power flows under this Agreement. Any aspects of metering and DAS equipment not specifically provided for by this Agreement shall be referred to the Committee pursuant to Article 7 of this Agreement.

**ARTICLE 5 RECORDS AND CONFIDENTIALITY**

5.1 **Copies of Records**

Each Party shall provide to a requesting Party copies of records maintained in accordance with applicable regulatory record retention requirements, including those mandated by FERC and NERC, to the extent such records document any transactions that have occurred under this Agreement.

5.2 **Confidentiality**

No Party shall disclose Confidential Information of another Party to any person not employed or retained by the Party, except to the extent disclosure is: (i) required by law; (ii) reasonably deemed by the disclosing Party to be required in connection with a dispute between the Parties, or the defense of litigation or dispute; or (iii) otherwise permitted by consent of the Party that provided such Confidential Information, such consent not to be unreasonably withheld. Prior to any disclosures of another Party’s Confidential Information under this subparagraph, the disclosing Party shall promptly notify the other Parties in writing and shall assert confidentiality and cooperate with the other Parties in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.
ARTICLE 6  INVOICING AND PAYMENT; TAXES

6.1 Purpose of Invoicing

Any invoice that is issued pursuant to this Agreement shall be for: (a) the establishment of any new Interconnection Point; or (b) the modification of an existing Interconnection Point. As per Article 7.2(b) of this Agreement, the Committee shall establish the terms and conditions applicable to invoicing.

6.2 Timeliness of Payment

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

6.3 Disputed Invoices

In the event that a Party disputes an invoice, the Party shall pay the invoice in full in accordance with Article 6.2 and may submit its dispute to the Committee for resolution per Article 7 of this Agreement. If, after thirty (30) days, the Committee has not resolved the dispute, then such dispute will be finally resolved pursuant to the mediation procedures specified in Article 9 of this Agreement.

6.4 Invoice Adjustments

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

ARTICLE 7  THE COMMITTEE

7.1 The Committee

The Switching Station Owners, through their membership in the Committee, shall administer the interconnected operation of the Interconnected Transmission Owner’s Transmission System as provided for in this Agreement with the consultation of TrAILCo on an as-needed basis. TrAILCo’s shall consult with the Committee on issues pertaining to this Agreement, including, but not limited to, those matters set forth in Article 7.2.

TrAILCo shall appoint one representative and one alternate to meet with the Committee and designate, in writing to the Committee, said appointments. Such TrAILCo representative and
alternate shall be persons familiar with the Switching Station as well as the respective Transmission Systems of the Parties.

7.2 Duties of the Committee and TrAILCo

With respect to this Agreement, the “principal” or “exclusive” duties of the Committee, in consultation with TrAILCo, shall be related to the following items, which shall be consistent with the terms of the Conemaugh ISA, specifically Schedule F of the Conemaugh ISA:

a. operating and control procedures;

b. identification, budgeting and assessment of Common Costs/Expenses which shall be allocated equally to the Switching Station Owners and TrAILCo, unless agreed to otherwise by the Parties;

c. accounting and invoicing procedures and resolution of invoicing disputes; and

d. consult with PJM and/or any impacted interconnected generator owners, as may be required for the performance of this Agreement, but not in conflict with the Conemaugh ISA, and any PJM manuals or agreements.

7.3 Limitations on Committee and TrAILCo Duties

The Committee and TrAILCo, shall not amend or modify any of the terms or conditions of this Agreement.

7.4 Committee Disputes

If the Committee, in consultation with TrAILCo, is unable to agree on any matter arising from this Article 7, then such matter shall be resolved by the Parties pursuant to Article 9 of this Agreement.

ARTICLE 8 INDEMNITY AND INSURANCE

8.1 Indemnity

To the extent permitted by law, each Party (the “Indemnifying Party”) shall indemnify, save harmless, and defend the other Party from and against any losses, liabilities, costs, expenses, suits, actions, claims, and all other obligations arising out of injuries or death to persons or damage to property to the extent arising out of, in connection with, or resulting from (i) the failure of the Indemnifying Party or any of its Contractors in performance of its obligations under this Agreement, or (ii) the negligence or intentional misconduct of the Indemnifying Party or its Contractors, except that a Party’s obligation to indemnify the other Party shall not apply to the extent of any liabilities arising from the other Party’s negligence or intentional misconduct or that portion of any liabilities that arise out of the other Party’s contributing negligence, intentional acts or omissions.
Promptly after receipt by a Party entitled to indemnity (“Indemnified Party”) of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the Indemnity provided for in this Article 8.1 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect an Indemnifying Party’s indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

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

A Party’s obligations to another Party under this Article 8.1 shall not be limited in any way by any provision of any workers’ compensation, disability benefits, payroll or other employee benefits laws; provided, however, that nothing herein shall limit or restrict any defense a Party may be entitled to assert with respect to a Third Party Claim, including a defense based on the status of such Party as a statutory employer. EACH PARTY HEREBY SPECIFICALLY AND EXPRESSLY WAIVES ANY AND ALL DEFENSES IT MAY HAVE TO AN INDEMNIFICATION OBLIGATION TO THE OTHER PARTY PURSUANT TO THIS AGREEMENT BASED ON ANY IMMUNITY TO WHICH SUCH PARTY MAY BE ENTITLED UNDER ANY WORKERS’ COMPENSATION, DISABILITY BENEFITS, PAYROLL OR EMPLOYEE BENEFITS LAWS.

For the purposes of this Article 8.1 only, the term “Party” shall include the Party’s directors, officers, employees, Affiliates and agents.

8.2 Insurance

8.2.1 Each Party shall maintain insurance as described in paragraphs A through E below. All insurance shall be procured from insurance companies rated “A-,” VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Work is performed. Failure to maintain required insurance shall be a Breach of this Agreement.

A. Workers Compensation insurance with statutory limits, as required by the state and/or jurisdiction in which the work is to be performed, and employer's liability insurance with limits of not less than one million dollars ($1,000,000.00).

B. Commercial General Liability Insurance and/or Excess Liability Insurance covering liability arising out of premises, operations, personal injury, advertising, products and completed operations coverage, independent contractors coverage, liability assumed under an insured contract, coverage for pollution to the extent normally available and punitive damages to the extent allowable under applicable law, with limits of not less than one million dollars ($1,000,000) per occurrence/one million dollars ($1,000,000) general aggregate/one million dollars ($1,000,000) products and completed operations aggregate.
C. Business/Commercial Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars ($1,000,000) each accident for bodily injury, including death, and property damage.

D. Excess and/or Umbrella Liability Insurance with a limit of liability of not less than twenty million dollars ($20,000,000.00) per occurrence. These limits apply in excess of the employer’s liability, commercial general liability and business/commercial automobile liability coverages described above. This requirement can be met alone or via a combination of primary, excess and/or umbrella insurance.

E. Professional Liability Insurance providing errors, omissions and/or malpractice coverage in the amount of five million dollars ($5,000,000) per occurrence/aggregate. Coverage shall be provided for the Party’s duties, responsibilities and performance outlined in this Agreement.

A Party may meet the Professional Liability Insurance requirements by requiring Contractors, designers, or engineers, or other parties that are responsible for design work associated with the transmission facilities or interconnection facilities necessary for the interconnection to procure professional liability insurance in the amounts and upon the terms prescribed by this section 8.2.1, and providing evidence of such insurance to the other Party. Such insurance shall be procured from companies rated “A-,” VII or better by AM Best and authorized to do business in a state or states in which the Interconnection Work is performed. Nothing in this section relieves the Party from complying with the insurance requirements. In the event that the policies of the designers, engineers, or other parties used to satisfy the Party’s insurance obligations under this section become invalid for any reason, including but not limited to, (i) the policy(ies) lapsing or otherwise terminating or expiring; (ii) the coverage limits of such policy(ies) are decreased; or (iii) the policy(ies) do not comply with the terms and conditions of this section, such Party shall be required to procure insurance sufficient to meet the requirements of this section, such that there is no lapse in insurance coverage.

8.2.2 Additional Insureds

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by each Party (the “Insuring Party”) shall include the other Party (the “Insured Party”), and its respective officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the Insured Party arising out of bodily injury and/or property damage (including loss of use) in any way connected with the operations, performance, or lack of performance under this Agreement.

8.2.3 Other Required Terms:

The above-mentioned insurance policies (except workers’ compensation) shall provide the following:
a. Each policy shall contain provisions that specify that it is primary and non contributory for any liability arising out of that party’s negligence, and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer’s liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

b. If any coverage is written on a Claims First Made Basis, continuous coverage shall be maintained or an extended discovery period will be exercised for a period of not less than two (2) years after termination of this Agreement.

c. Provide for a waiver of all rights of subrogation which the Insuring Interconnected Entity’s insurance carrier might exercise against the Insured Interconnection Party.

8.2.3 No Limitation of Liability

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

8.2.4 Self-Insurance

Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Article 8.2 to the extent it maintains a self-insurance program, provided that such Party’s senior secured debt is rated at investment grade or better by Standard & Poor’s and its self-insurance program meets the minimum insurance requirements of this Article 8.2. For any period of time that a Party’s senior secured debt is unrated by Standard & Poor’s or is rated at less than investment grade by Standard & Poor’s, such Party shall comply with the insurance requirements applicable to it under this Article 8.2. In the event that a Party is permitted to self-insure pursuant to this section, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with this Agreement.

8.2.5 Notices; Certificates of Insurance

All policies of insurance shall provide for thirty days prior written notice of cancellation or material adverse change. If the policies of insurance do not or cannot be endorsed to provide thirty days prior notice of cancellation or material adverse change, each Party shall provide the other Party with thirty days prior written notice of cancellation or material adverse change to any of the insurance required under this Agreement. Each Party shall provide the other with certificates of insurance prior to the initial operation of the TrAILCo Project Facilities and thereafter at such time intervals as they shall mutually agree upon, provided that such interval shall not be less than one year. All certificates of insurance shall indicate that the certificate holder is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverages, and that this insurance is primary with a waiver of subrogation included in favor of the other Party.
8.2.6 Contractor Insurance

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

8.2.7 Reporting Incidents

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

ARTICLE 9 DISPUTES

9.1 Notwithstanding the existence of a dispute between the Interconnected Transmission Owner and TrAILCo, TrAILCo shall diligently proceed with the work at such rates of progress as, in the interpretation of the applicable Switching Station Owner, will ensure full completion of such work on time and in accordance with this Agreement; provided, however, that nothing in this Article 9 shall require TrAILCo to take any action that is in breach or violation of this Agreement, including, any action that would create a risk of harm to TrAILCo, its employees and agents or its property. TrAILCo agrees to cooperate with and assist the applicable Switching Station Owner in any dispute resolution, or other proceeding, involving any work and related work whether or not TrAILCo is directly involved therein. During the existence of any dispute or difference under this Agreement, each Party shall continue to perform its obligations under this Agreement. Where any dispute or difference relates to the nature of the Parties’ obligations under the Agreement, the applicable Switching Station Owner shall give TrAILCo any instructions as may be necessary for proper performance of the applicable work and to prevent any delay of such work pending resolution of the dispute or difference. TrAILCo shall make reasonable efforts to comply fully with any such instructions.

9.2 The Parties shall cooperate within the limits of this Agreement, as necessary, to facilitate the efficient performance of any work. Claims and disputes arising during the ordinary course of the work are expected to be resolved by the respective project managers of the Parties. However, any on-going claim or dispute which cannot be settled by the respective project managers shall be referred for resolution to the respective corporate executives to whom each project manager reports. The Parties acknowledge their intent to undertake by negotiation, by such corporate executives, the resolution of claims and disputes, if any, in a timely manner so as to avoid, where feasible, the need for resort to mediation or court action.

9.3 Any controversy or claim arising out of or relating to this Agreement or breach thereof that cannot be resolved after a period of thirty (30) days of negotiation may, by mutual
agreement of the Parties, be settled by mediation in accordance with this Agreement. Any such mediation proceedings shall take place in the City of New York.

9.4 During the mediation process, the Parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who will attempt to facilitate negotiations. The mediator will be selected by the mutual agreement of the Parties as soon as practical after the Parties agree to commence the mediation process. Each Party shall provide the other with a list of no less than three (3) and no more than five (5) mediators, and the other Party may strike as many names as they choose. If the Parties cannot agree on a mediator, a mediator will be selected by the American Arbitration Association ("AAA") at the request of a Party.

9.5 The Parties agree that any and all mediation will be conducted in the AAA offices in the City of New York, and in the manner specified by the mediator and agreed upon by the Parties. The Parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute.

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

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

9.8 If any dispute is not settled by mediation, then any Party may pursue any and all rights and remedies available to it under this Agreement, or in law or equity. Notwithstanding the mediation hereunder, the Parties have the right to proceed directly to court to seek relief in law or in equity.

9.9 The submission of a dispute to mediation shall not limit or in any way affect the applicable Party’s right to effect remedies or limit such Party’s rights under this Agreement or otherwise.

ARTICLE 10  TERM AND TERMINATION OF AGREEMENT

10.1 Term and Termination

This Agreement shall be effective as of the date first written above, or such later date as the last necessary regulatory approval hereof shall be obtained (unless an earlier date is specified by the regulatory authority having jurisdiction), and shall remain in effect until the date falling on the tenth (10th) anniversary of the date hereof (the “Initial Term”) and, thereafter, for successive twelve (12) month periods (“Renewal Terms”). Either Party may terminate this Agreement after the Initial Term by providing to the other Party thirty-six (36) months’ advance written notice of its intent to terminate this Agreement, in which case this Agreement shall terminate at the end of such thirty-six (36) month notice period without regard to the expiration of any Renewal Term.
Notwithstanding the above, this Agreement may be terminated earlier (a) if the Parties mutually agree or (b) as otherwise expressly provided for in this Agreement.

10.2 Breach and Default

A Party shall be considered in default of this Agreement (“Default”) if it fails to cure a Breach in accordance with the terms of this Article 10.2. A breach (“Breach”) shall mean the failure of a Party to perform or observe any material term or condition of this Agreement; provided that no Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. The breaching Party shall have thirty (30) calendar days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) calendar days, the breaching Party shall commence such cure within thirty (30) calendar days after notice and continuously and diligently complete such cure within ninety (90) calendar days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

10.3 Right to Terminate

If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

10.4 Renegotiable Events

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

a. Any change to Applicable Laws and Regulations having a material impact upon the effectiveness or enforceability of any provision of this Agreement;

b. This Agreement is not approved or accepted for filing by the FERC without modification or condition;

c. PJM or the Reliability Council prevents, in whole or in part, either Party from performing any provisions of this Agreement in accordance with its terms;
d. Either Party withdraws from PJM;

e. PJM Requirements are modified in a manner that materially affects either Party’s ability to perform its obligations under this Agreement; or

f. PJM, either voluntarily or involuntarily, is dissolved.

**ARTICLE 11 REGULATORY AUTHORITIES**

11.1 **Regulatory Authorities**

This Agreement is made subject to the jurisdiction of any Governmental Authority or authorities having jurisdiction over the Parties, the TrAILCo Transmission System, the Interconnected Transmission Owner’s Transmission System, this Agreement, or the subject matter hereof.

11.2 **Adverse Regulatory Change**

The Parties agree to jointly submit and support the filing of this Agreement with the FERC. Any changes or conditions imposed by the FERC or any other Governmental Authority with competent jurisdiction in connection with such submission or otherwise in respect of this Agreement, any of which are unacceptable to a Party after the Parties’ good faith attempt to negotiate a resolution to such objectionable change or condition, shall be cause for termination of this Agreement upon thirty (30) days’ prior written notice by the non-consenting Party to the other Parties hereto.

11.3 **Amendments to the Agreement**

11.3.1 **Amendments**

In the event that the Parties agree to amend this Agreement, the Parties shall, if required, file any such amendment or modification with the FERC.

11.3.2 **Section 205 and 206 Rights**

Nothing contained in this Agreement shall preclude TrAILCo, the Interconnected Transmission Owner, or any of the Switching Station Owners from exercising its rights under Section 205 and 206 of the Federal Power Act to file for a change in any rate, term, condition or service provided under this Agreement.

**ARTICLE 12 MODIFICATIONS OF FACILITIES**

12.1 **Adjustments of Existing Facilities**

The Parties acknowledge that existing facilities may need to be relocated, removed, discontinued, or modified in order for the construction and/or placement of the Interconnection Point and a Party’s facilities and equipment related to the Interconnection Point. The Parties shall work in good faith to arrange adjustment of existing facilities.

12.2 **Standards**
Any additions, modifications or replacements made to a Party’s existing facilities shall be constructed and operated in accordance with Good Utility Practice and Applicable Laws and Regulations.

ARTICLE 13 GENERAL

13.1 Force Majeure

No Party shall be in default in respect to any obligation hereunder because of Force Majeure. A Party unable to fulfill any obligation by reason of Force Majeure shall use diligence to remove such disability with appropriate dispatch. Each Party shall: (a) provide prompt written notice of such Force Majeure event to the other Party, which notice shall include an estimate of the expected duration of such event; and (b) attempt to exercise all reasonable efforts to continue to perform its obligations under this Agreement. The failure of a Party to perform its obligations under this Agreement as a result of Force Majeure shall only be excused for the duration of the Force Majeure and while such Party exercises diligence to remove such disability. As soon as the non-performing Party is able to resume performance of its obligations, such Party shall resume performance and give prompt notice thereof to the other Party.

13.2 Waivers

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

13.3 Liability

a. Except to the extent of the other Party’s negligence or willful misconduct, each Party shall be responsible for all physical damage to or destruction of the property, equipment and/or facilities owned by it and its Affiliates, regardless of who brings the claim and regardless of who caused the damage, and shall not seek recovery or reimbursement from the other Party for such damage; but in any such case, TrAILCo and the Interconnected Transmission Owner shall exercise Due Diligence to remove the cause of any disability at the earliest practicable time.

b. To the fullest extent permitted by law and notwithstanding Article 7.1 or any other provision of this Agreement, in no event shall a Party, its Affiliates, or any of their respective owners, officers, directors, employees, agents, successors or assigns be liable to the other Party, its Affiliates or any of their respective owners, officers, directors, employees, agents, successors or assigns, whether in contract, warranty, tort, negligence, strict liability, or otherwise, for any special, indirect, incidental, exemplary, consequential (including, without limitation, replacement power costs, lost profits or revenues, loss of good will or lost business opportunities) or punitive damages related to or resulting from performance or
nonperformance of this Agreement or any activity associated with or arising out of this Agreement.

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

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

13.4 Written Notices

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

If to the Interconnected Transmission Owner: Atlantic City Electric Company
Mail Stop #79NC58
P.O. Box 9239 (USPS) 401 Eagle Run Rd (overnight)
Newark, DE 19714-9239 (USPS) Newark, DE 19702 (overnight)
Attn: Scott C. Razze, Manager, Interconnection & Agreements

Baltimore Gas and Electric Company
7309 Windsor Mill Rd
Baltimore, MD 21244
Attention: J. Andrew Dodge, Vice President

With copies to:
Baltimore Gas and Electric Company
2 Center Plaza
110 W. Fayette Street
Baltimore, MD 21201
Attention: Gary Guy, Counsel

Delmarva Power & Light Company
Mail Stop #79NC58
P.O. Box 9239 (USPS) 401 Eagle Run Rd (overnight)
Newark, DE 19714-9239 (USPS) Newark, DE 19702 (overnight)
Attn: Scott C. Razze, Manager, Interconnection & Agreements
Metropolitan Edison Company
Attn: Manager, Agreements Support
76 S. Main Street
Akron, OH 44308

With copies to:
Attorney for Agreements Support
Metropolitan Edison Company
c/o FirstEnergy Corp.
76 South Main Street
Akron, OH 44308-1890

PPL Electric Utilities Corporation
Manager Regulatory & Business Affairs
Two North Ninth St
Allentown, PA 18101

With copies to:
PPL Electric Utilities Corporation
Office of General Counsel, - Contracts Support
Two North Ninth St
Allentown, PA 18101

PECO Energy Company
2301 Market Street,
Philadelphia, PA, 19101
ATTN: Transmission Planning Department

UGI Utilities Inc.
Attn. Eric Sorber, Manager Operations & Planning
One UGI Center
Wilkes-Barre, PA 18711

With copies to:
Mark C. Morrow
Chief Regulatory Counsel
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
610.768.3628
Potomac Electric Power Company  
Mail Stop #79NC58  
P.O. Box 9239 (USPS) 401 Eagle Run Rd (overnight)  
Newark, DE 19714-9239 (USPS) Newark, DE 19702 (overnight)  
Attn: Scott C. Razze, Manager, Interconnection & Agreements

Public Service Electric & Gas Company  
Attn: Sheree L. Kelly, Esq.  
80 Park Plaza, T5D  
Newark, NJ 07102

With copies to:  
Attn: Manager - Interconnection Planning  
Public Service Electric and Gas Company  
80 Park Plaza, T13  
Newark, NJ 07102

Pennsylvania Electric Company  
Attn: Manager, Agreements Support  
76 S. Main Street  
Akron, OH 44308

With copies to:  
Attorney for Agreements Support  
Pennsylvania Electric Company  
c/o FirstEnergy Corp.  
76 South Main Street  
Akron, OH 44308-1890

If to TrAILCo:  
Trans-Allegheny Interstate Line Company  
Attn: Manager, Agreements Support  
76 S. Main Street  
Akron, OH 44308

With copies to:  
Attorney for Agreements Support  
Trans-Allegheny Interstate Line Company  
c/o FirstEnergy Corp.  
76 South Main Street  
Akron, OH 44308-1890
If to PJM: Vice President-Government Policy  
PJM Interconnection, L.L.C  
1200 G Street, N.W., Suite 600  
Washington D.C. 2005  

and  

General Counsel  
PJM Interconnection, L.L.C  
955 Jefferson Avenue  
Norristown, PA 19403-2497

The above listed titles and addresses for a Party or PJM may be changed by written notice to all other Parties and PJM.

13.5 Agreement Validity

The validity and meaning of this Agreement shall be governed by and construed in accordance with federal law where applicable and, when not in conflict with or preempted by federal law, the applicable law of the State of New York, without application of its conflicts of law provisions.

13.6 Defined Terms and Execution

All capitalized terms used in this Agreement shall have the meanings as defined in the PJM Tariff or as specified in definitions either in the body of this Agreement or as appended hereto in Appendix VI. In the event of any conflict between defined terms set forth in the PJM Tariff or defined terms in this Agreement, such conflict shall be resolved in favor of the terms set forth in this Agreement. Any provisions of the PJM Tariff relating to this Agreement that uses any such defined term shall be construed using the definition given to such defined term in this Agreement. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

ARTICLE 14 ASSIGNMENT

14.1 Assignment

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties. Successors and assigns of PJM shall become signatories to this Agreement for the limited purpose described in Article 13.3(d) of this Agreement. This Agreement shall not be assigned by any Party without the written consent of the other Party, which consent shall not be unreasonably withheld, except to a successor to which substantially all of the business and assets of such Party shall be transferred if such successor assumes in writing all rights, duties and obligations arising under this Agreement, or to an Affiliate of the assigning Party for the purposes of a corporate restructuring.
ARTICLE 15 SURVIVAL

15.1 Survival

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

(remainder of page left intentionally blank)
IN WITNESS WHEREOF, this Agreement has been executed by the Parties’ respective officers lawfully authorized so to do, this ______ day of December, 2013.

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: __________________________
   (Signature)

Name: __________________________
   (Print)

Title: __________________________

Date: __________________________

By: __________________________
   (Signature)

ATLANTIC CITY ELECTRIC COMPANY

By: __________________________
   (Signature)

Name: __________________________
   (Print)

Title: __________________________

Date: __________________________

Baltimore Gas and Electric Company

By: __________________________
   (Signature)

Name: __________________________
   (Print)

Title: __________________________

Date: __________________________
DELMARVA POWER & LIGHT COMPANY

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________

METROPOLITAN EDISON COMPANY

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________

PPL ELECTRIC UTILITIES CORPORATION

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________

PECO ENERGY COMPANY

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________

UGI UTILITIES, INC.

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________

POTOMAC ELECTRIC POWER COMPANY

By: _____________________________
   (Signature)

Name: ___________________________
   (Print)

Title: ____________________________

Date: ____________________________
The signature below of the authorized representative of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative officer of PJM has read this Agreement as of the ____ day of December, 2013.

PJM INTERCONNECTION, L.L.C.

By: __________________________
   (Signature)

Name: __________________________
   (Print)

Title: __________________________

Date: __________________________
APPENDIX I
Interconnection Point and One-Line Diagram

1.1 The respective Transmission Systems of the Parties shall be interconnected through the transmission lines and substations at the Interconnection Point described below (see APPENDIX I, Figure 1):

1.1.1 The Interconnection Point at the Switching Station will be at the extension of the south 500 kV bus. The following will be owned by TrAILCo:

(a) Extension of the south 500 kV bus

(b) The 3-200 MVA 500-230 kV single phase transformers (600 MVA 3-phase bank)

(c) Revenue quality metering

(d) The 500 kV breaker on the high side of the transformer

(e) The low-side 230 kV breaker
APPENDIX I

Figure 1

To Keystone
To Juniata
To Hunterstown

Conemaugh Substation

Owned by: TrailCo
Point Of Interconnection:
At the extension of the south 500kV bus

To Plant
To Plant

Nov. 2013

going to:
Seward Substation

Owned by: Interconnected Transmission Owners
APPENDIX II

Scope of Work

To address system issues in connection with the Interconnection Work, TrAILCo and the Interconnected Transmission Owner have agreed to the following scope of work for TrAILCo:

- The Conemaugh-Seward 230 kV transmission line project, which arises from PJM RTEP “Project b1153” and involves the construction of a new 230 kV transmission line, 2.1 circuit miles in length, between the Switching Station and the Seward Station (see Figure 1 in Appendix 1).

- Install optical ground wire, which acts as the communication medium for the protection scheme for the Conemaugh-Seward 230 kV transmission line as well as to pass voltage and current telemetry between the Switching Station and the Seward Station.

- At the Switching Station, extend the south 500 kV bus, install a 3-200 MVA 500-230 kV single phase transformer (600 MVA 3-phase bank), install revenue quality metering, install a 500 kV breaker on the high side of the transformer, and install a low-side 230 kV breaker.

All work will be performed by TrAILCo and/or its Contractors. No work is required by the Interconnected Transmission Owner.

Work Schedule

TrAILCo shall make reasonable efforts to achieve the following construction milestones:

- Substantial site work to be completed on or before July 15, 2013.

- Delivery of major electrical equipment to occur on or before July 15, 2013.

- Commercial operation to occur on or before January 13, 2014.

- Within one (1) month following commercial operation, TrAILCo will provide Interconnected Transmission Owner with certified documentation demonstrating that “as-built” facilities are in accordance with applicable studies and agreements. TrAILCo will also provide “as-built” electrical modeling data and/or confirm that previously submitted data remains valid.
APPENDIX III
Metering Requirements

1.1 Metering Point

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

1.2 Metering Equipment

Suitable and reliable metering equipment of revenue quality shall be installed at the Interconnection Point as described under Article 1.1 above and future Interconnection Points, and shall include potential and current transformers, revenue meters, test switches and such other equipment as may be needed. The metering design and functionality established by this Appendix III shall serve as a guideline for all new interconnection metering installations, including any modification, addition or upgrade to any metering equipment after the date of this Agreement. As such, a Party may deviate from this metering design and functionality with the other Party’s consent, which shall not be unreasonably withheld, conditioned or delayed.

1.2.1 General Requirements

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

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

1.2.2 Industry Standard Requirements
At least (N-1) metering elements will be used to measure all real and reactive power crossing the Interconnection Point, where N is the number of wires in service including the ground wire. The metering equipment (consisting of instrument transformers, meters, sockets, and test switches) shall be installed, calibrated, and tested (at the requesting Party’s expense) in accordance with the latest approved version of (but not limited to) the Standard Documents listed below, including the standard testing procedures and guidelines of the Party that owns the metering equipment:

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

To the extent that the above requirements conflict with the manuals, standards or guidelines of the applicable Regional Reliability Organization regarding interchange metering and transactions, the manuals, standards and guidelines of such Regional Reliability Organization shall control.

1.2.3 Metering Equipment Maintenance and Testing

Upon installation, unless otherwise specified, the meters shall be inspected and tested in accordance with the latest applicable ANSI Standards and at least once every two (2) years, or at any other mutually agreed frequency thereafter. More frequent meter tests can be performed at the request of a Party; however, the test will be performed at the requesting Party’s expense if the meter is found to be within the established ANSI tolerances. The Party that owns the metering shall provide at least three (3) weeks’
advance notice of meter tests to the other Party and invite the other Party to attend and witness the tests.

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

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

The Party that owns the metering equipment shall maintain records for the life of the Interconnection Point that demonstrate compliance with all meter testing and maintenance requirements, and that all meter testing and maintenance has been conducted in accordance with Good Utility Practice. The non-owning Party shall have reasonable access to such records. If metering equipment fails to function, the energy registration shall be determined from the best available data, including the check metering, if applicable. The Instrument Transformers (“IT”) shall also be inspected and maintained based on Article 1.2.2 of this Appendix III and the existing standards and practices of the Party that owns the metering equipment.

1.2.4 Current Transformer Requirements

Each metering point shall have a dedicated set of metering class current transformers.

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

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

Each Metering Point shall have a set of metering class voltage transformers. Voltage transformers shall meet or exceed an accuracy class of 0.3% (as defined in IEEE C57.13). The secondary of the voltage transformers shall be exclusively used for the meters only, so as not to exceed the secondary burden of the stated voltage transformer’s nameplate burden rating. Voltage transformers with two separate secondary windings may have one winding dedicated to the meters and the other winding used for the relaying or metering. The nameplate burden rating on either winding must not be exceeded.

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

1.3 Remote Meter Access and Data Communications

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

1.3.1 Real Time Communications

Meters shall be capable of communicating with data acquisition system (“DAS”) equipment such as a Remote Terminal Unit (“RTU”) to provide the following real time bi-directional power and energy data.

1.3.2 Energy Flow Data

A continuous accumulating record of active and reactive energy flows shall be provided by means of the registers on the meters. The deployed meter(s) shall be capable of
providing bi-directional energy data flow in either kyz pulse signals format, or accumulated counters to RTU.

1.4 Metering Device Requirements

All meters shall be programmable and capable of measuring, recording, and displaying bi-directional active and reactive energy and four quadrant power quantities. Also, the meters shall be programmable for compensating for power transformer and line losses, if needed.

1.5 Meter Access

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

1.6 Meter Removal

Upon termination of this Agreement or when the metering is no longer needed, a Party owning meter equipment in another Party’s station shall remove such metering equipment, if any, from the premises of the other Party within one (1) year after termination or within one year after the Party that owns the meter equipment determines that the interchange metering is no longer needed. In all cases, the removal of the metering equipment shall not inadvisably affect other existing measurement devices.
There are no new requirements for onsite data sharing for the TrAILCo-owned Switching Station RTU between TrAILCo and the Interconnected Transmission Owner.

Any real-time data requirements defined in the PJM manuals, including PJM Manual 01 - Control Center and Data Exchange Requirements, and PJM Manual 03 - Transmission Operations, shall be provided to PJM to allow PJM to comply with its roles as reliability coordinator, balancing authority, and transmission operator.
APPENDIX V
Contributions to Capital

1.1 The contributions to capital associated with the establishment, discontinuance, relocation or modification of each Interconnection Point are as follows:

None
APPENDIX VI
Definitions

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

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

“Common Costs/Expenses” – shall mean general Switching Station costs or expenses incurred by the Interconnected Transmission Owner, as identified, budgeted and assessed on a case-by-case basis by the Committee, that shall be shared equally by the Switching Station Owners and TrAILCo in accordance with Article 7.2. Common Costs/Expenses may include, but are not limited to, costs for vegetation management, fencing of common areas and the provision of security to the Switching Station by the Interconnected Transmission Owner.

“Contractor” – shall mean any person(s) or entity(s) designated by TrAILCo to provide or perform all or a portion of the Interconnection Work including the supply of any work, services, labor, supervision, equipment, data, materials or any other item.

“Confidential Information” – shall mean information clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential. If requested by any Party, the disclosing Party shall provide in writing the basis for asserting that the information referred to warrants confidential treatment.

“Due Diligence” – shall mean the exercise of good faith efforts to perform a required act on a timely basis using the necessary technical and manpower resources.

“Force Majeure” - shall mean any cause beyond the control of the affected Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of public enemy, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of Due Diligence such Party could not reasonably have been expected to avoid, and which, by the exercise of due diligence, it has been unable to overcome. Force Majeure does not include: (i) a failure of performance that is due to an affected Party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected Party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected Party.
“Good Utility Practice”– shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region; including those practices required by Federal Power Act Section 215(a)(4).

“Governmental Authority” - shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority, having responsibility over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnected Transmission Owner, TrAILCo, or any Affiliate thereof.

“Interconnection Point” – shall mean each point of electrical connection between the Interconnected Transmission Owner’s Transmission System and the TrAILCo Transmission System as set forth in Appendix I to this Agreement.

“Interconnection Work” – The construction work to be performed by TrAILCo pursuant to this Agreement as set forth in Appendix II.

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

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

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

“PJM Requirement” – shall mean any rule, charge, procedure, or other requirements of PJM, including the PJM Tariff, applicable to FERC-jurisdictional inter System.

“PJM Tariff” – shall mean PJM’s Open Access Transmission Tariff.

“Reliability Council” – shall mean the North American Electric Reliability Corporation or any successor agency assuming or charged with similar responsibilities related to the operation and reliability of the North American electric interconnected transmission grid, including any regional or other subordinate council of which the Parties are a member.

“Third Party Claim” shall mean a claim, demand, cause of action or proceeding made or brought by a Person that is not a Party or an Affiliate of a Party.
“TrAILCo Project Facilities” shall mean the facilities constructed by TrAILCo in its performance of Interconnection Work.
ATTACHMENT B

COPY OF SIGNATURE PAGES
IN WITNESS WHEREOF, this Agreement has been executed by the Parties' respective officers lawfully authorized so to do, this _____ day of December, 2013.

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: __________________________ (Signature)

Name: __________________________ (Print)

Title: __________________________

Date: __________________________

By: __________________________ (Signature)

ATLANTIC CITY ELECTRIC COMPANY

By: __________________________ (Signature)

Name: __________________________ (Print)

Title: __________________________

Date: __________________________

Baltimore Gas and Electric Company

By: __________________________ (Signature)

Name: __________________________ (Print)

Title: Vice President - Electric System Planning

Date: December 31, 2013

131498.00121/7303496v.6
IN WITNESS WHEREOF, this Agreement has been executed by the Parties’ respective officers lawfully authorized so to do, this ______ day of December, 2013.

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: ____________________________  
   (Signature)

Name: ____________________________  
   (Print)

Title: ____________________________

Date: ____________________________

By: ____________________________  
   (Signature)

ATLANTIC CITY ELECTRIC COMPANY

By: ____________________________  
   (Signature)

Name: Scott C. Razze  
   (Print)

Title: Manager, Interconnection & Arrangements

Date: __/__/__

BALTIMORE GAS AND ELECTRIC COMPANY

By: ____________________________  
   (Signature)

Name: ____________________________  
   (Print)

Title: ____________________________

Date: ____________________________

131498.001217303496v.6
DELMARVA POWER & LIGHT COMPANY

By: ____________________________  (Signature)

Name: Scott C. Razze  (Print)

Title: Manager, Interconnection & Arrangements

Date: 1/9/14

METROPOLITAN EDISON COMPANY

By: ____________________________  (Signature)

Name: __________________________

Title: __________________________

Date: __________________________

PPL ELECTRIC UTILITIES CORPORATION

By: ____________________________  (Signature)

Name: __________________________

Title: __________________________

Date: __________________________

PECO ENERGY COMPANY

By: ____________________________  (Signature)

Name: __________________________

Title: __________________________

Date: __________________________

UGI UTILITIES, INC.

By: ____________________________  (Signature)

Name: __________________________

Title: __________________________

Date: __________________________

POTOMAC ELECTRIC POWER COMPANY

By: ____________________________  (Signature)

Name: Scott C. Razze  (Print)

Title: Manager, Interconnection & Arrangements

Date: 1/9/14

22
PUBLIC SERVICE ELECTRIC & GAS COMPANY

By: ________________________________
    (Signature)

Name: ______________________________
    (Print)

Title: _______________________________

Date: _______________________________

PENNSYLVANIA ELECTRIC COMPANY,
AS AGENT OF THE INTERCONNECTED
TRANSMISSION OWNER

By: ________________________________
    (Signature)

Name: ______________________________
    (Print)

Title: _______________________________

Date: _______________________________

The signature below of the authorized representative of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative officer of PJM has read this Agreement as of the ____ day of December, 2013.

PJM INTERNECTION, L.L.C.

By: ________________________________
    (Signature)

Name: ______________________________
    (Print)

Title: _______________________________

Date: _______________________________
<table>
<thead>
<tr>
<th>Company</th>
<th>By</th>
<th>Name</th>
<th>Title</th>
<th>Date</th>
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<tr>
<td>DELMARVA POWER &amp; LIGHT COMPANY</td>
<td>(Signature)</td>
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<tr>
<td>PPL ELECTRIC UTILITIES CORPORATION</td>
<td>(Signature)</td>
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<td></td>
<td>12/20/2013</td>
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<td>PECO ENERGY COMPANY</td>
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<tr>
<td>UGI UTILITIES, INC.</td>
<td>(Signature)</td>
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</tr>
<tr>
<td>POTOMAC ELECTRIC POWER COMPANY</td>
<td>(Signature)</td>
<td>(Print)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PUBLIC SERVICE ELECTRIC & GAS COMPANY

By: [Signature]

Name: Paul D. Napoli
(Print)

Title: Managing Director – TBS&S

Date: 13/19/13

PENNSYLVANIA ELECTRIC COMPANY, AS AGENT OF THE INTERCONNECTED TRANSMISSION OWNER

By: [Signature]

Name: [Print]

Title: [Print]

Date: [Print]

The signature below of the authorized representative of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative officer of PJM has read this Agreement as of the ____ day of December, 2013.

PJM INTERCONNECTION, L.L.C.

By: [Signature]

Name: [Print]

Title: [Print]

Date: [Print]
IN WITNESS WHEREOF, this Agreement has been executed by the Parties’ respective officers lawfully authorized so to do, this ______ day of December, 2013.

TRANS-ALLEGHENY INTERSTATE LINE COMPANY

By: __________________________
   (Signature)

Name: _________________________
   (Print)

Title: VP Transmission

Date: 12/20/13

By: __________________________
   (Signature)

ATLANTIC CITY ELECTRIC COMPANY

By: __________________________
   (Signature)

Name: _________________________
   (Print)

Title: __________________________

Date: __________________________

Baltimore Gas and Electric Company

By: __________________________
   (Signature)

Name: _________________________
   (Print)

Title: __________________________

Date: __________________________
DELMARVA POWER & LIGHT COMPANY

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

METROPOLITAN EDISON COMPANY

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

PPL ELECTRIC UTILITIES CORPORATION

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

PECO ENERGY COMPANY

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

UGI UTILITIES, INC.

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

POTOMAC ELECTRIC POWER COMPANY

By: ____________________________  
(Signature)

Name: ____________________________  
(Print)

Title: ____________________________

Date: ____________________________

Robert Beard  
(Indenture)

President & CEO  
(Indenture)

12-20-13
PUBLIC SERVICE ELECTRIC & GAS COMPANY

By: ____________________________
(Signature)

Name: __________________________
(Print)

Title: __________________________

Date: __________________________

PENNSYLVANIA ELECTRIC COMPANY,
AS AGENT OF THE INTERCONNECTED
TRANSMISSION OWNER

By: ____________________________
(Signature)

Name: __________________________
(Print)

Title: __________________________

Date: __________________________

The signature below of the authorized representative of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative officer of PJM has read this Agreement as of the ___ day of December, 2013.

PJM INTERCONNECTION, L.L.C.

By: ____________________________
(Signature)

Name: __________________________
(Print)

Title: __________________________

Date: __________/________/____