

Service Agreement No. [xxxx]

FINAL (9/15/2017)

INTERCONNECTION AGREEMENT

between

[INSERT NAME OF PARTY A]

and

[INSERT NAME OF PARTY B]

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INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (“Agreement”) is made and entered into as of the ___ of _____, 20___, (the “Execution Date”), between [INSERT NAME OF “PARTY A”] (“_____”), and [INSERT NAME OF “PARTY B”] (“_____”); [PARTY A] and [PARTY B] may 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”).

WITNESSETH:

WHEREAS, pursuant to Section 1.5.8(i) of Schedule 6 of the PJM OA, PJM notified [PARTY B] that it was designated as the Designated Entity for Project No. ____ (“Project”) to be included in the Regional Transmission Expansion Plan;

WHEREAS, pursuant to Section 1.5.8(j) of Schedule 6 of the PJM OA, Designated Entity accepted the designation as the Designated Entity for the Project and therefore has the obligation to build the Project;

WHEREAS, pursuant to Section 6 of the PJM OA, [PARTY B] has received and accepted the designation from PJM to construct enhancements or expansions to [PARTY A’s] Transmission System in order to effectuate interconnection with the Project, to which PJM has assigned a PJM upgrade identifier, which is unique to such construction enhancements or expansions;

WHEREAS, the Parties have agreed to enter into this Agreement to establish the terms and conditions governing the interconnection of the Project with [PARTY A’s] Transmission System and to define the continuing responsibilities and obligations of the Parties with respect thereto; and

WHEREAS, the Federal Energy Regulatory Commission (“FERC”) has required the Parties to this Agreement include PJM as a signatory to this Agreement, pursuant to *American Electric Power Service Corporation*, 112 FERC ¶ 61,128 at P 10 (2005), 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 exchange for good and valuable consideration of the premises and mutual covenants herein set forth, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1 INTERCONNECTED OPERATION

1.1 Interconnected Operation

The Parties' Transmission Systems shall be interconnected at each Interconnection Point specified and described in Appendix I of this Agreement. The Parties, by amendment to this Agreement pursuant to Section 10.3, may add, discontinue or modify one or more Interconnection Points.

1.2 Commencement of Interconnected Operation

All of the following conditions precedent must be satisfied prior to commencing Interconnected Operation:

- 1.2.1 This Agreement, if required to be filed with FERC, has been accepted for filing by FERC.
- 1.2.2 The construction of all Interconnection Facilities has been completed.
- 1.2.3 Party A and Party B have all necessary systems and personnel in place to allow for parallel operation of their respective facilities.
- 1.2.4 Party B has received any necessary authorization from PJM to synchronize and energize with the Transmission System.
- 1.2.5 Party B is in compliance with all Applicable Technical Standards.

1.3 Continuity of Interconnected Operation

During the term of this Agreement, each Party shall continue to maintain in service its respective Interconnection Facilities and essential terminal equipment necessary to maintain in a safe and reliable manner each Interconnection Point described in Appendix I.

1.4 Compliance

Each Party shall comply with Good Utility Practice, Applicable Technical Standards, PJM Requirements and Applicable Laws, Regulations and Standards in performing its respective obligations and responsibilities under this Agreement.

ARTICLE 2 TERM AND TERMINATION OF AGREEMENT

2.1 Term

This Agreement shall be effective on the date it is executed by all Parties, 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 this Agreement is terminated in accordance with Section 2.2.

2.2 Termination

This Agreement may be terminated by the following means:

2.2.1 By Mutual Consent

This Agreement shall be terminated as of the date on which the Parties mutually agree to terminate this Agreement.

2.2.2 By Either Party

Either Party may terminate this Agreement by providing to the other Party and PJM at least thirty-six (36) months' advance written notice of the date on which such Party intends to terminate this Agreement, unless the Parties agree to a shorter notice period.

2.2.3 Upon Default

Either Party may terminate this Agreement upon the Default of the other Party, as defined in Section 9.1, by providing the defaulting Party and PJM thirty (30) days prior written notice of termination.

2.3 Effectiveness of Termination

If this Agreement is on file with FERC, then the termination of this Agreement under Section 2.2 shall become effective on the date established by FERC in an order accepting a notice of cancellation filing under Section 205 of the Federal Power Act to terminate this Agreement.

ARTICLE 3 OPERATIONS AND MAINTENANCE

3.1 Operating Responsibilities

Each Party, if applicable, shall exercise reasonable care to design, construct, maintain, and operate its Transmission System, in accordance with Good Utility Practice and applicable PJM Requirements, and in such manner as to avoid the unauthorized use of the generation or transmission facilities of any other person, including such facilities of the other Party (hereinafter referred to as "Unauthorized Use"). Each Party may install and operate on its Transmission System such relays, disconnecting devices, and other equipment, as it may deem 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 on its Transmission System, which might cause impairment to the service of the other Party.

3.2 Interruption of Service

The interconnection of the Parties' Transmission Systems under this Agreement may be interrupted, upon reasonable notice, under the following circumstances: (i) by operation of automatic equipment installed for power system protection; (ii) after consultation with the other Party if practicable, when a Party deems it desirable for the installation, maintenance, inspection, repairs or replacements of equipment; (iii) to comply with a directive issued by PJM; or (iv) 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, or to avoid or mitigate the loss of life, injury, or property damage. If synchronous operation of the Parties' Transmission Systems through a particular line or lines becomes interrupted, the Parties shall cooperate to remove the cause of such interruption as soon as practicable and restore said lines to normal operating condition.

3.3 Maintenance and Facility Maintenance

Each Party shall maintain its facilities in a safe and reliable manner in accordance with: (i) the terms of this Agreement; (ii) Applicable Laws, Regulations and Standards; and (iii) Good Utility Practice. 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 in accordance with PJM Requirements.

3.4 Compliance with NERC Reliability Standards

The Parties shall confer as necessary to maintain an understanding of their respective NERC-registered roles as such roles pertain to the operation, maintenance, or Modification of an Interconnection Point identified in Appendix I of this Agreement or the coordination of any new Interconnection Point between the Parties. Unless otherwise agreed in writing between the Parties, each Party shall be responsible only for the NERC compliance requirements applicable to its respective Transmission System.

3.5 Cooperation Associated with NERC Reliability Standards

If one Party is subject to a data request, investigation, self-certification, audit or other action by FERC, NERC, PJM or a NERC Regional Entity regarding applicable NERC Reliability Standards associated with the facilities it operates to effect the interconnection of the Parties' Transmission System at each Interconnection Point, then the other Party shall reasonably cooperate in a timely fashion and to the extent necessary to demonstrate compliance with any applicable NERC Reliability Standards associated with such facilities and to address any such actions regarding applicable NERC Reliability Standards. When

either Party is required to comply with NERC Reliability Standards with respect to such facilities, the other Party shall not interfere with compliance activities.

3.6 Access

Each Party shall provide the other Party access to areas under its control as reasonably necessary to permit the other Party to perform its obligations under this Agreement, including operation and maintenance obligations. A Party that obtains such access shall comply with all safety rules applicable to the area to which access is obtained. Each Party agrees to inform the other Party of the safety rules applicable to each area.

3.7 Applicable Technical Standards

For the purposes of this Agreement, Applicable Technical Standards of the Transmission Owner(s) to whose facilities the Project will interconnect shall apply to the design, engineering, procurement, construction and installation of the Project to the extent that the provisions thereof relate to the interconnection of the Project to the Transmission Owner(s) facilities.

ARTICLE 4

METERING AND DATA ACQUISITION SYSTEM EQUIPMENT

4.1 Metering Equipment

The net interchange of electrical energy between the Transmission Systems at the Interconnection Point(s) shall be measured by the operational quality metering and, if required or otherwise agreed to by the Parties and PJM, revenue quality meters specified in Appendix I. The metering equipment shall satisfy applicable American National Standards Institute standards and PJM's metering standards and PJM Requirements. Each Party shall own, operate and maintain such recording, telemetering, communication, and control facilities on their respective side of the Points of Interconnection (unless otherwise specified in Appendix I) as required for coordinated operation. Except for the charge referenced in Section 4.2, no specific charge will apply to either Party for the installation, replacement, operation, maintenance or testing of such equipment.

4.2 Maintenance, Testing, and Calibration of Metering Equipment

Procedures with respect to maintenance, testing, calibrating, and precision tolerance of all metering equipment shall be performed in accordance with Good Utility Practice. The expense of testing any meter shall be borne by the Party owning such meter, except for when a meter is tested at the request of the other Party and is found to register within the established tolerance. In such circumstances, the Party making the request shall bear the expense of the test.

4.3 Additional Metering Requirements

Any additional metering requirements shall be contained in Appendix II of this Agreement.

ARTICLE 5 CONFIDENTIALITY

5.1 Confidentiality

Confidential information ("Confidential Information"), as defined in Appendix IV, must be clearly designated or marked in writing as confidential on the face of the document or if the information is conveyed orally or by inspection and 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 in this section warrants confidential treatment, and the requesting Party may disclose such writing to an appropriate Governmental Authority. If any Confidential Information contains Critical Energy/ Electric Infrastructure Information ("CEII"), it will be clearly so marked with the words: "CONTAINS CRITICAL ENERGY/ELECTRIC INFRASTRUCTURE INFORMATION – DO NOT RELEASE."

5.2 Time Period

During the term of this Agreement as defined in Section 2.1 and for a period of five (5) years after the expiration or termination of this Agreement, except as otherwise provided in Article 5, each Party shall hold in confidence, and shall not disclose to any person any Confidential Information provided to it by the other Party. If this Agreement expires or is terminated, then within five (5) years after the effective date of such expiration or termination the Party that provided Confidential Information to the other Party shall request that the Party that received the Confidential Information either return the Confidential Information or destroy the Confidential Information; provided however, that if the Party that provided Confidential Information to the other Party does not make either request to the Party that received the Confidential Information, the Party that received the Confidential Information shall destroy the Confidential Information.

5.3 Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (i) is generally available to the public other than that which is a result of a disclosure by the receiving Party; (ii) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (iii) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party, after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (iv) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; or (v) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of this Agreement. Information designated as Confidential Information shall no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

5.4 Release of Confidential Information

Subject to Sections 5.8 and 5.11, no Party shall disclose Confidential Information to any other person, except to its Representatives (limited by FERC's Standards of Conduct requirements) without the prior written consent of the disclosing Party. . A receiving Party may disclose Confidential Information to its Representatives provided that such Representatives have first been advised of the confidentiality provisions of this Article. Notwithstanding the foregoing, a Party providing Confidential Information to a Representative shall remain primarily responsible for any release of Confidential Information by such Representative in contravention of this Article 5.

Nothing herein is intended to preclude the Parties from entering into a Non-Disclosure Agreement.

5.5 Rights

Each Party retains all rights, title, and interest in the Confidential Information that it discloses to the other Party. A Party's disclosure to the other Party of Confidential Information shall not be deemed a waiver by such Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

5.6 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness.

5.7 Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as such Party uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Confidential Information may be used solely to fulfill a Party's obligations to the other Party under this Agreement or to comply with Applicable Laws, Regulations and Standards.

5.8 Order of Disclosure

If a Governmental Authority with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the Party that provided the Confidential Information with prompt notice of such request(s) or requirement(s) so that the providing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or agreement, or waiver, the Party that is subjected to the request or order may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so furnished.

5.9 Return or Destruction of Confidential Information

Each Party shall, within ten (10) calendar days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase, or delete (with such destruction, erasure and deletion certified in writing to the requesting Party) or to return to the requesting Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the requesting Party. Notwithstanding the foregoing, a Party shall not be required to purge any historical backup media.

5.10 Remedies

The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed to be an exclusive remedy for the Breach of this Article 5, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope.

5.11 Disclosure to FERC or its Staff

Notwithstanding anything in this Article 5 to the contrary, and pursuant to 18 C.F.R. § 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from a Party that is otherwise required to be maintained in confidence pursuant to this Agreement, such Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. To the extent permitted by law, each Party shall notify the other Party prior to the release of the other Party's Confidential Information to FERC or its staff. A Party shall promptly notify the other Party when it is notified by FERC or its staff that a request to release the other Party's Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

5.12 General Disclosure

Notwithstanding any other provisions of this Article 5, a Party may disclose the Confidential Information provided by the other Party to the extent disclosure is: (i) reasonably deemed by the disclosing Party to be required in connection with a dispute between the Parties, or the defense of litigation or dispute; (ii) otherwise permitted by written consent of the Party that provided such Confidential Information; (iii) necessary to fulfill its obligations to an RTO or ISO or to a regional or national reliability organization; or (iv) is required to be disclosed pursuant to any Governmental Authority or is otherwise required to be disclosed by law or subpoena. Prior to any disclosures of another Party's Confidential Information under this Section 5.12, the disclosing Party shall promptly notify the other Party in writing and shall assert confidentiality and cooperate with the other Party 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: (i) the establishment of any new Interconnection Point; (ii) the modification of an existing Interconnection Point; or (iii) other purposes as may be set forth in this Agreement.

6.2 Timeliness of Payment

Unless otherwise agreed upon, any invoices issued pursuant to this Agreement shall be rendered as soon as practicable in the month immediately 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 state where the Interconnection Point(s) associated with such invoice is or is expected to be located, and shall be payable from the due date of such unpaid amount to the date paid.

6.3 Disputed Invoices

In the event that a Party disputes an invoice, the disputing Party shall pay the invoice in full in accordance with Section 6.2 of this Agreement subject to the refund of any amounts found to have been incorrectly invoiced plus interest on such amount from the date of payment to the date of the refund at the rate stated in Section 6.2. In the event of a billing dispute, the disputing Party shall provide notice of the dispute to the billing Party as set out in Section 12.4. In response to the notice, the billing Party will promptly provide all documentation that is reasonably required in support of its bill and confer with the disputing Party. If these good faith efforts fail to resolve the issue, the matter may, by mutual agreement of the Parties, be settled through the mediation procedures of Article 8.

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.

6.5 Tax Reimbursement

If, as part of any compensation to be paid under this Agreement, any direct tax, including, but not limited to sales, excise, or similar taxes (other than taxes based on or measured by net income) is levied and/or assessed against either Party by any taxing authority on the power and/or energy manufactured, generated, produced, converted, sold, purchased,

transmitted, interchanged, exchanged, exported or imported by the supplying Party to the other Party, then except as provided in Section 6.6, such supplying Party shall be fully compensated by the other Party for such direct taxes.

6.6 Contribution In-Aid of Construction

For payment amounts or for the value of the facilities constructed and turned over to the receiving Party that are classified as contributions in-aid of construction (“CIAC”), and in the event and to the extent such CIAC payment amounts (“CIAC Payment”) are classified as taxable income by the receiving Party or if the receiving Party is tax exempt, receipt of such CIAC Payment causes said Party to become taxable, such CIAC Payment shall be increased (or “grossed-up”) to fully cover the receiving Party’s net tax consequences arising from the CIAC Payment. If at the time of invoicing the receiving Party made a good faith determination that the CIAC Payment would not be classified as taxable income but federal or state income taxes are subsequently imposed upon the receiving Party by the Internal Revenue Service (“IRS”) and/or a state department of revenue (“State”) arising from the receipt of such CIAC Payment, the Party that originally made the CIAC Payment shall reimburse the receiving Party for the full tax effect of such CIAC Payment computed in accordance with FERC rules and including any interest and penalty charged to the receiving Party by the IRS and/or the State.

ARTICLE 7 INDEMNITY AND INSURANCE

7.1 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 (each a “Loss” and each suffered by or asserted by a third party) arising out of, in connection with, or resulting from the Indemnifying Party’s (or its Contractor’s) performance or non-performance of its obligations under this Agreement; provided, however, that a Party’s obligation to indemnify the other Party shall not apply to any Losses arising from the other Party’s negligence or intentional misconduct. Promptly after receipt by a Party entitled to indemnity (“Indemnified Party”) of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in this Section 7.1 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 the performance or non-performance by the Indemnifying Party or any of its Contractors of its obligations under this Agreement.

The Indemnifying Party shall not settle or make a plea with respect to any suit, action or claim without the Indemnified Party's prior written consent.

A Party's obligations to another Party under this Section 7.1 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 Loss, 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 Section 7.1 only, the term "Party" shall include the Party's Affiliates and the directors, officers, employees, and agents of the Party and its Affiliates.

7.2 Insurance

7.2.1 Maintaining Insurance

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 approved to do business in a state or states in which the Interconnection Point(s) is located. 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 Interconnection Point(s) is located, 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, 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, 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) for 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) per occurrence. This limit applies 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 through a combination of primary, excess and/or umbrella insurance.
- E. Professional Liability Insurance providing errors, omissions and/or malpractice coverage in the amount of one million dollars (\$1,000,000) per occurrence/aggregate. Coverage shall be provided for the Parties' Representatives that are responsible for design work associated with the interconnection.

A Party may meet the Professional Liability Insurance requirements by requiring Contractors, designers, 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 7.2.1, and providing evidence of such insurance to the other Party. Nothing in this Section 7.2.1 relieves the Party from complying with the insurance requirements.

7.2.2 Additional Insureds

The Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability policies procured by a Party shall include the other Party, and its respective officers, agents and employees as additional insureds, providing all standard coverages and covering liability of the insured Party for bodily injury and/or property damage (including loss of use) arising out of the insured Party's operations, performance, or lack of performance under this Agreement.

7.2.3 Other Required Terms

The above-mentioned insurance policies of a Party (except workers' compensation, excess/umbrella and professional liability) 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 the insured Party's liability, and shall apply to such extent without consideration for other policies separately carried by the other Party 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. In addition, the following shall apply to the Parties' insurance policies, to the extent allowable by law.

- i. If any coverage is written on a claims 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 the effective date of the termination of this Agreement.
- ii. The insurance (including workers' compensation) shall include a waiver of all rights of subrogation which a Party's insurance carrier might exercise against the other Party.
- iii. Each Party shall be responsible for its respective deductibles or retentions.

7.2.4 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 Party under this Agreement.

7.2.5 Self-Insurance

Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Section 7.2 to the extent it maintains a self-insurance program, provided that such Party's or its parent company's senior secured or unsecured debt is rated at investment grade or better by Standard & Poor's or another recognized rating agency and its self-insurance program meets the minimum insurance requirements of Section 7.2. For any period of time that a Party's or its parent company's senior secured or unsecured debt is unrated by Standard & Poor's or another recognized rating agency or is rated at less than investment grade by Standard & Poor's or another recognized rating agency, such Party shall comply with the insurance requirements applicable to it under Section 7.2. In the event that a Party self-insures pursuant to this section, it shall notify the other Party that it satisfies the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with this Agreement.

7.2.6 Notices; Certificates of Insurance

Each Party shall provide the other Party with thirty (30) days prior written notice of cancellation to any of the insurance required under this Agreement provided, however, that no notice shall be required if a canceled policy is replaced with an equivalent policy without any lapse in coverage. Each Party shall provide the other with certificates of insurance prior to commencement of Interconnection Construction related to an Interconnection Point and thereafter at such time intervals as they shall mutually agree

upon, provided that such interval shall not be less than one year. The insured Party's certificates of insurance shall indicate that the other Party is included as an additional insured under the Commercial General Liability, Business/Commercial Automobile Liability and Excess and/or Umbrella Liability coverage, and that this insurance is primary and non-contributory. Each Party's certificates of insurance shall evidence that a waiver of subrogation is included in the required insurance policies in favor of the other Party. After the initial notification that it is self-insuring, the self-insured Party is not required to annually thereafter provide such notification provided that it continues to satisfy the requirements to self-insure of Section 7.2.5. In the event that the self-insured Party no longer meets the requirements of Section 7.2.5 to self-insure, the self-insured Party must provide to the other Party a new certificate of insurance within thirty days of the date that the requirements to self-insure were no longer being satisfied.

7.2.7 Contractor Insurance

In accordance 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.

7.2.8 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 8 DISPUTES

8.1 Mediation

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. 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.

8.2 Confidentiality of Mediation

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 proceedings relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

8.3 Termination of Mediation

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

8.4 Rights and Remedies

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. 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 9 BREACH AND DEFAULT

9.1 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 Section 9.1. 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 Breach 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 by 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 Breach 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 Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist. Either Party may terminate this Agreement upon the Default of the other Party as provided for in Section 2.2.3 of this Agreement.

9.2 Renegotiable Events

If one of the following conditions 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:

- A. any change to Applicable Laws, Regulations and Standards having a material impact upon the effectiveness or enforceability of any provision of this Agreement;
- B. this Agreement is not approved or accepted by FERC without modification or condition, if filed at FERC;
- C. PJM, RTO or NERC prevents, in whole or in part, either Party from performing any provisions of this Agreement in accordance with its terms;
- D. either Party withdraws as a member of PJM or RTO;
- 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.

9.2.1 Preservation of Intent

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.

9.2.2 Reservation of Rights

If the Parties are unable to reach an agreement, either Party shall have the right to unilaterally file with FERC, pursuant to Section 205 or Section 206 of the Federal Power Act as appropriate, proposed amendments to this Agreement that the filing Party deems reasonably necessary to protect its interests.

ARTICLE 10 GOVERNMENTAL AUTHORITIES

10.1 Governmental Authorities

This Agreement is made subject to the jurisdiction of FERC and any Governmental Authority having jurisdiction over the rates, terms conditions or services provided under this Agreement.

10.2 Adverse Regulatory Change

The Parties agree to jointly submit and support the filing of this Agreement with FERC, if such filing is required by the Federal Power Act. Any changes or conditions imposed by FERC in connection with such submission or otherwise in respect of this Agreement, any of which is unacceptable to a Party after the Parties' good faith attempt to negotiate a resolution to such objectionable change or condition in accordance with Section 9.2, shall

be cause for termination of this Agreement upon thirty (30) days' prior written notice by the non-consenting Party to the other Party, and if applicable, subject to the provisions of Section 2.3 of this Agreement.

10.3 Amendments to the Agreement

10.3.1 Amendments

This Agreement may only be modified in a writing signed by the Parties and acknowledged by PJM. In the event that the Parties agree to amend this Agreement, the Parties shall, if required by Applicable Laws, Regulations and Standards, file any such amendment or modification with FERC.

10.3.2 Section 205 and 206 Rights

Nothing contained in this Agreement shall preclude either Party 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 11 MODIFICATIONS OF FACILITIES

11.1 Generally

Each Party may make such Modifications to its facilities as it deems necessary in its sole judgment based on Good Utility Practice, subject to the requirements of Section 11.2, below. Modifications shall be subject to any applicable approval process set forth in the PJM Tariff.

11.2 Notice

In the event a Party plans to undertake Modifications to its facilities, including its Transmission System that reasonably may be expected to impact the other Party's Transmission System, the initiating Party shall provide the other Party with at least ninety (90) days' advance notice of the desired Modifications. The nature of and the schedule of work for performing such Modifications shall be subject to review and acceptance by the other Party. Such review and acceptance shall not be untimely nor unreasonably withheld or delayed, to ensure that such Modifications: (i) will not adversely affect a Party's Transmission System, or other facilities, and (ii) are consistent with Good Utility Practice. Compliance with Applicable Laws, Regulations and Standards relating to and the suitability and responsibility for the safe and adequate design, construction, operation, and maintenance of the initiating Party's Modifications shall be and remain the sole obligation of the initiating Party. If the other Party does not respond within ninety (90) days after receipt of the notice, then the other Party will be deemed to have accepted the proposed Modifications.

11.3 Cost Responsibility

When the actions of a Party necessitate Modifications to the other Party's facilities that are not required by Applicable Laws, Regulations and Standards, such Modifications to the other Party's facilities shall be made at the sole cost and expense of the Party whose actions necessitated the Modifications, unless otherwise agreed to in writing. Such Party's responsibility for such cost is limited to those costs that are incremental to costs already planned to be incurred by the other Party for such Modifications.

11.4 Information

Subject to any applicable confidentiality or CEII agreements, each Party agrees that it will furnish to the other Party such information concerning its system as may be reasonably requested by the other Party as reasonably necessary to construct, operate, maintain, and implement Modifications to the other Party's facilities. No review of such information will constitute an acceptance or approval of the Modifications by the reviewing Party.

ARTICLE 12 GENERAL

12.1 Force Majeure

No Party shall be in Breach 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. A Party unable to fulfill any obligation by reason of Force Majeure shall: (i) provide prompt written notice of such Force Majeure event to the other Party and such notice shall include an estimate of the expected duration of such event; and (ii) 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.

12.2 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.

12.3 Liability

- A. To the fullest extent permitted by law and notwithstanding Section 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, attorneys' fees, litigation costs, 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.
- B. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of PJM. The Parties expressly waive any claims that may arise against PJM under this Agreement.
- C. The Parties acknowledge and understand that the signature of the authorized officer of PJM on this Agreement is for the limited purpose of acknowledging that a representative of PJM has read the terms of this Agreement. The Parties and PJM further state that they understand that FERC desires that the Parties keep PJM fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the authorized PJM officer shall not in any way be deemed to imply that PJM takes 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.

12.4 Written Notices

Any notice or other communication required or permitted by this Agreement may be given by personal delivery, by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. certified or registered mail, return receipt requested, addressed to PJM or the Party entitled thereto, at:

If to [PARTY A]:

[INSERT TITLES AND ADDRESSES]

and

[INSERT TITLES AND ADDRESSES]

If to [PARTY B]:

[INSERT TITLES AND ADDRESSES]

and

[INSERT TITLES AND ADDRESSES]

If to PJM:

Vice President-Government Policy
PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington D.C. 20005

and

General Counsel
PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403-2497

The above listed titles and addresses for a Party or PJM may be changed by written notice to the Parties and PJM. Such change shall not necessitate a filing under Section 205 of the Federal Power Act. Any such notice or communication will be deemed to have been given as of the date received.

12.5 Primary and Alternate Contacts

For routine administrative matters not appropriately communicated pursuant to Section 12.4, each Party shall appoint an individual as the primary contact and an individual as the alternate contact. All initial contacts regarding a particular administrative matter pursuant to this Agreement shall be made to the primary contact or the alternate contact. Parties shall promptly notify the other and PJM of the name, title, mailing address, telephone number(s), and e-mail address of the primary and alternate contact and any changes thereto; provided however, that any such changes shall not be filed with FERC.

12.6 Non-Standard Terms and Conditions Applicable to Interconnection Point(s)

The Parties may establish non-standard terms and conditions applicable to any Interconnection Point and to certain shared facilities related to an Interconnection Point that are specified in this Agreement (“Non-Standard Terms and Conditions”). The Non-Standard Terms and Conditions shall be set forth in Appendix III to this Agreement and shall be in addition to any other terms and conditions provided for in this Agreement. Any conflict between the Non-Standard Terms and Conditions and any other provisions of this Agreement shall be resolved in favor of the Non-Standard Terms and Conditions.

12.7 Governing Law

The validity and meaning of this Agreement shall be governed by and construed in accordance with federal law where applicable and, when not in conflict with or preempted by federal law, the applicable law of the state where the Interconnection Point(s) is located, without application of its conflicts of law provisions.

12.8 Defined Terms and Execution

All capitalized terms used in this Agreement shall have the meanings as specified in the body of this Agreement or Appendix IV, or as defined in the PJM Tariff. 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.

12.9 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

12.10 Entire Agreement; Superseding Effect

This Agreement, including all exhibits, schedules, appendices and other attachments hereto, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof.

ARTICLE 13 ASSIGNMENT

13.1 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 Section 12.3(c) 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, conditioned, or delayed. Notwithstanding the foregoing, a Party may assign this Agreement to a successor to which substantially all of the business and assets of such Party shall be transferred, or to an Affiliate of the assigning Party for the purposes of a corporate restructuring, provided that in either case, the assigning Party provides reasonable prior written notice to the other Party and the assignee assumes in writing all rights, duties, and obligations arising under this Agreement. In either such event identified in the preceding sentence, the assigning Party shall be released

from all further obligations and duties thereafter arising pursuant to the terms of this Agreement.

ARTICLE 14 SURVIVAL

14.1 Survival

The termination of this Agreement shall not discharge either Party from any obligation it owes to the other Party, as contemplated under Article 5, under this Agreement by reason of any transaction, loss, cost, damage, expense or liability that shall occur (or the circumstances, events or basis of which shall occur or arise) prior to such termination. It is the intent of the Parties hereby that any such obligation owed (whether the same shall be known or unknown at the termination of this Agreement) shall survive the termination of this Agreement, and that either Party may enforce its rights against the other Party with respect to such obligations in an action at law or in equity to the fullest extent permitted by law.

This Agreement shall continue in effect after termination to the extent necessary: (i) for final billings and payments; (ii) 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 (iii) 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.

IN WITNESS WHEREOF, this Agreement has been executed by an authorized representative of each Party as of the execution date.

[PARTY A]

By: _____
(Signature)

Name: _____
(Print)

Title: _____

Date: _____

IN WITNESS WHEREOF, this Agreement has been executed by an authorized representative of each Party as of the execution date.

[PARTY B]

By: _____
(Signature)

Name: _____
(Print)

Title: _____

Date: _____

The signature below of the authorized officer of PJM Interconnection, L.L.C. is for the limited purpose of acknowledging that a representative of PJM has read this Agreement as of this _____ day of _____ (month) _____(year).

PJM INTERCONNECTION, L.L.C.

By: _____
(Signature)

Name: _____
(Print)

Title: _____

Date:

Service Agreement No.:

APPENDIX I

Interconnection Point One-Line Diagram and Meter Ownership

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

1.1 The point hereby designated and hereinafter called “_____ **Interconnection Point.**” The Interconnection Point is **[PROVIDE DESCRIPTION]**

1.2 If applicable, the controlling revenue meter shall be owned by **[DESIGNATE PARTY]**

[INSERT SINGLE-LINE DIAGRAM DEPICTING EACH POINT OF INTERCONNECTION AND LOCATION OF CONTROLLING REVENUE QUALITY METER]

APPENDIX II
Metering Requirements

APPENDIX III
Non-Standard Terms and Conditions

In accordance with Article 12.5 of this Agreement, this Appendix sets forth Non-Standard Terms and Conditions applicable to one or more Interconnection Point(s).

[Either enter "None." or enumerate and name the Interconnection Point(s) followed by the applicable Non-Standard Terms and Conditions.]

APPENDIX IV

Definitions

For the purposes of this Agreement, the following capitalized terms shall have the meanings set forth below or as otherwise defined in this Agreement, regardless of any potential conflict between the meanings set forth herein and any definitions of the same terms in the PJM Tariff.

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

“Applicable Laws, Regulations and Standards”-- shall mean (i) 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 a Party, its respective facilities, and/or the respective services it provides; (ii) the PJM OA, the PJM Tariff and the CTOA; and (iii) the requirements and guidelines of (a) NERC and each applicable NERC Regional Entity; and (b) the PJM Manuals.

“Applicable Technical Standards” -- shall mean those certain technical requirements and standards applicable to the interconnection of transmission facilities with [Party A’s] Transmission System, as posted on PJM’s website.

“Confidential Information” means all the information designated as confidential that is furnished to a Party or the Reviewing Representative by the Disclosing Party. Confidential Information includes Notes of Confidential Information. Confidential Information includes information defined as “Critical Energy/Electric Infrastructure Information” (“CEII”) in accordance with the Commission’s regulations at 18 C.F.R. § 388.113.

“Contractor” – shall mean one or more persons or entities designated by either Party or its Affiliates to provide or perform all or a portion of the supply of any work, services, labor, supervision, equipment, data, materials or any other item related to the Interconnection Point(s) identified in this Agreement.

“CTOA” – shall mean the Consolidated Transmission Owners Agreement, designated as Rate Schedule FERC No. 42, and as amended from time to time, by and among certain designated Transmission Owners in the PJM Control Area.

“Due Diligence” – shall mean the exercise of commercially reasonable efforts consistent with Good Utility Practice.

“Force Majeure” - shall mean any cause beyond the control of the affected Party, including but not restricted to, acts of God, flood, drought, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, acts of a public enemy or terrorist, explosions, orders, regulations or restrictions imposed by governmental, military, or lawfully established civilian authorities, which, in any of the foregoing cases, by exercise of Due Diligence such Party could not reasonably have been expected to avoid, and which, by the exercise of Due Diligence, it has been unable to overcome. Force Majeure does not include: (i) a failure of performance that is due to an affected Party’s own negligence or intentional wrongdoing; (ii) any removable or remediable causes (other than settlement of a strike or labor dispute) which an affected Party fails to remove or remedy within a reasonable time; or (iii) economic hardship of an affected Party.

“Good Utility Practice”– shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region; including those practices required by Section 215(a)(4) of the Federal Power Act.

“Governmental Authority” – shall mean any federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority, having responsibility over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include either Party, nor any Affiliate thereof.

“Interconnected Operation” -- shall mean the physical and electrical interconnection of the Project with Party A’s Transmission System, pursuant to the PJM Tariff and this Agreement.

“Interconnection Construction” – shall mean construction to establish the initial Interconnection Point between the Parties, construction to establish any subsequent Interconnection Points between the Parties, and the modification of facilities by one Party materially affecting the facilities of the other Party at an existing Interconnection Point.

“Interconnection Facilities” – shall mean those facilities that are owned, controlled, operated and maintained by a Party on that Party’s side of a Point of Interconnection that

are necessary to physically and electrically interconnect the Transmission System of such Party to the Transmission System of the other Party at a Point of Interconnection.

“Interconnection Point” – shall mean each point of electrical connection between the Transmission System of one Party and the Transmission System of the other Party as set forth in this Agreement.

“Modification” – Any material new construction, additions, design changes or modifications made to, or the abandonment, retirement, relocation or rearrangement of facilities.

“NERC” – shall mean the North American Electric Reliability Corporation or any successor or other entity assuming or charged with similar responsibilities related to the operation and reliability of the North American electric interconnected transmission grid and the electric transmission facilities addressed in this Agreement, including with respect to each Party’s own transmission facilities, any regional or other subordinate council of which either Party is a member.

“NERC Regional Entity” – shall mean an organization that NERC has delegated the authority to propose and enforce NERC Reliability Standards pursuant to the Federal Power Act to which a Party’s Transmission System are located within the organization’s region.

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

“PJM Manuals” – shall mean the instructions, rules, procedures and guidelines established by PJM for the operation, planning, and accounting requirements of the PJM Control Area, as defined in the PJM OATT and the PJM interchange energy market, as the same may be amended, supplemented, revised, altered, changed or restated.

“PJM OA” – shall mean the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C, as the same may be amended.

“PJM Requirement” – shall mean any rule, charge, procedure, or other requirements of PJM, including the PJM Tariff, applicable to FERC-jurisdictional service provided over the Transmission System of either Party.

“PJM Tariff” – shall mean PJM’s Open Access Transmission Tariff as on file with FERC and in effect.

“Representatives” – means a Party’s Affiliates, and the Party’s and its Affiliates’ equity owners, governing persons, officers, employees, advisors, attorneys, and prospective or actual lenders or investors.

“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.

“Transmission System” shall mean the facilities that are controlled or operated by a Party within the “PJM Region,” as “PJM Region” is defined in the PJM OATT, that are used to provide transmission service under Part II and Part III of the PJM Tariff.