

January 30, 2017

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

**Re: Mid-Atlantic Interstate Transmission, LLC
Agency Agreement Filing – Interconnection Agreement
between Pennsylvania Electric Company (“Penelec”) and
New York State Electric & Gas Corporation (“NYSEG”)
Docket No. ER17-637-001**

On December 22, 2016, pursuant to Section 205 of the Federal Power Act,¹ Mid-Atlantic Interstate Transmission, LLC (“MAIT”) submitted for filing an Agency Agreement between MAIT and Pennsylvania Electric Company (“Penelec”) (“December 22 Filing”). MAIT submits this amendment to the December 22 Filing in order to modify the proposed effective date for the Agency Agreement.²

Specifically, in the December 22 Filing, MAIT proposed an effective date of January 1, 2017 for the Agency Agreement. MAIT proposes to change that proposed effective date to make the Agency Agreement effective as of the closing of the MAIT Transaction (defined below).

I. Background

As explained in the December 22 Filing, MAIT is a newly-formed Delaware limited liability company, which will be a stand-alone transmission company and a wholly-owned subsidiary of FirstEnergy Transmission, LLC (“FET”).³ It will not own any generation or provide retail utility service. MAIT, Metropolitan Edison Company

¹ 16 U.S.C. § 824d (2012).

² Pursuant to Order No. 714, this filing is submitted by PJM on behalf of the Applicant as part of an XML filing package that conforms to the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owner in order to retain administrative control over the PJM Tariff. Thus, the Applicant requested that PJM submit the Service Agreement in the eTariff system as part of PJM’s electronic Service Agreement Tariff.

³ FET, formerly known as Allegheny Energy Transmission, LLC, is a direct, wholly-owned subsidiary of FirstEnergy. FET is the parent company of two stand-alone transmission subsidiaries, American Transmission Systems, Incorporated and Trans-Allegheny Interstate Line Company, and has an ownership interest in Potomac-Appalachian Transmission Highline, LLC.

(“Met-Ed”), and Penelec have entered into an arrangement under which MAIT will acquire the transmission assets owned and operated by MetEd and Penelec in PJM (the “MAIT Transaction”). MetEd and Penelec however will continue to own the lands, easements, franchises and other rights (together, “ROWS”) under or over which the transmission assets are located.⁴

Penelec is a party, along with NYSEG, to an Interconnection Agreement dated as of June 1, 1956, as amended (the “Penelec/NYSEG Agreement”).⁵ The Penelec/NYSEG Agreement has been filed with the Federal Energy Regulatory Commission (“FERC” or the “Commission”) and has been designated as Penelec “Rate Schedule FPC No. 23” and as NYSEG “Rate Schedule FPC No. 20.”

As originally executed, the Penelec/NYSEG Agreement required: (a) NYSEG to provide supplementary transmission service to Penelec for the delivery of borderline service to Penelec customers along the Pennsylvania/New York border; (b) NYSEG to sell to Penelec temporary seasonal generating capacity; (c) required each party to maintain and operate its respective interconnection facilities so as to enable it to take or deliver the services provided under the Penelec/NYSEG Agreement; and (d) required each party to sell to the other party “electric energy at the distribution points of delivery” shown on Exhibit A of the Penelec/NYSEG Agreement for “distribution in territory immediately adjacent to the boundary line between the State of New York and the Commonwealth of Pennsylvania.”

Letter agreement supplements dated October 5, 1956 and June 4, 1959, respectively: (a) removed the “South Creek/Bentley Creek” distribution point of delivery from the scope of the Penelec/NYSEG Agreement; (b) extended the term of the Penelec/NYSEG Agreement until terminated by either party on 24 months’ advance written notice to the other; (c) terminated NYSEG’s obligation to sell to Penelec temporary seasonal generating capacity; (d) established that each party would supply supplementary transmission service to the other at no charge; and (e) required each party to make its own transmission facilities (and any other transmission facilities which are available to it) available to the other in order to supply loads of the other company within its operating areas adjacent to those of the supplying company.

After MAIT’s acquisition of Penelec’s transmission assets, Penelec wishes to remain a party to the Penelec/NYSEG Agreement for purposes of its ownership of the ROWs and MAIT will act as its agent for purposes of the implementation and administration of the Penelec/NYSEG Agreement to the extent that that agreement

⁴ The Commission approved this transaction by order dated February 18, 2016. *Pennsylvania Electric Co.*, 154 FERC ¶ 61,109 (2016). MAIT will provide transmission service in the MetEd and Penelec transmission zones in PJM.

⁵ The Penelec/NYSEG Agreement also contains the following descriptive text: “Interchange and Borderline Service at N.Y.-Penn. State Lines and Temporary Seasonal Generating Capacity Transactions”

concerns transmission assets acquired by MAIT and/or has not otherwise been terminated. The parties have entered into the Agency Agreement in order to accomplish these objectives.

In the December 22 Filing, the Parties requested an effective date of January 1, 2017 for the Agency Agreement. The January 1, 2017 effective date was intended to coincide with the December 31, 2016 closing of the MAIT Transaction. The closing of the MAIT Transaction was predicated on the Commission's acceptance, prior to December 31, 2016, of certain modifications to the PJM Open Access Transmission Tariff ("PJM OATT"), the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. ("PJM OA") and the Consolidated Transmission Owners Agreement ("PJM CTOA").⁶ Together the PJM OATT, PJM OA and PJM CTOA are referred to as the "PJM Agreements." PJM filed the modifications to the PJM Agreements with the Commission on October 28, 2016 in Docket No. ER17-214-000 for the modifications to the PJM OATT and PJM OA and in Docket No. ER17-216-000 for the modifications to the PJM CTOA.

However, in lieu of an order accepting the modifications to the PJM Agreements, on December 28, 2016, the Commission's Office of Energy Market Regulation issued a deficiency letter in Docket Nos. ER17-214-000 and ER17-216-000, as well as in Docket No. ER17-211-000. As a result of the deficiency letter, the MAIT Transaction did not close as anticipated on December 31, 2016.

II. Description of Amendment Filing

A. Amendment to Filing

Because the MAIT Transaction did not close as anticipated on December 31, 2016, MAIT is amending the December 22 Filing to change the proposed effective date for the Agency Agreement. In the December 22 Filing, MAIT proposed an effective date of January 1, 2017 for the Agency Agreement. MAIT is changing that proposed effective date and requests that the Commission make the Agency Agreement effective as of the closing of the MAIT Transaction.

The precise date of the MAIT Transaction closing is not yet known, therefore, the tariff record for the Agency Agreement being submitted with this filing has an indefinite effective date.⁷ Within five business days of the closing date of the MAIT Transaction, MAIT will submit an informational filing to the Commission specifying the actual effective date of the Agency Agreement. MAIT has made minor revisions to the Agency

⁶ The PJM CTOA modifications were filed by PJM on behalf of the PJM Transmission Owners Agreement Administrative Committee.

⁷ Per the procedures specified in the Commission's Implementation Guide for Electronic Filing of Tariff Filings, the proposed effective date specified in the metadata for the tariff record is 12/31/9998.

Agreement to reflect this indefinite effective date, and is submitting redline and clean versions of the revised agreement with this filing. The signature pages submitted with the December 22 filing are unchanged and thus remain valid.

III. Additional Information

A. List of Documents Submitted With Filing

Together with this filing letter, MAIT submits the following attachments to ensure that the agreement is properly recorded in the eTariff database.

Attachment A:

Marked Version of Service Agreement No. 4555; and

Attachment B:

Clean Version of Service Agreement No. 4555.

B. Service

Copies of this amendment filing, including all attachments, have been served on the official service list for this docket, NYSEG, and State regulators in Pennsylvania and New York.

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Carlos E. Gutierrez

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ATTACHMENT A

Marked Version of Service Agreement No. 4555

AGENCY AGREEMENT

by and between

Pennsylvania Electric Company

and

Mid-Atlantic Interstate Transmission, LLC

dated

as of

January 1, 2017

AGENCY AGREEMENT

This Agency Agreement is made as of the ~~1st day of January, 2017~~ (“Closing Date”) (defined below) by and between Pennsylvania Electric Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (“Penelec” or “Principal”) and Mid-Atlantic Interstate Transmission, LLC, a Delaware limited liability company (“MAIT” or “Agent”).

WHEREAS, ~~as of the Closing Date;~~ is defined as the date that Penelec will transfer to MAIT all of Penelec’s electric energy transmission system including, without limitation, all high tension electric transmission lines, towers, poles, posts, cables, conduits, transformers, insulators, meters, electrical connections, fuses, junction boxes and other fixtures and equipment, together with various substations and switching stations;

WHEREAS, Penelec is a party to an Interconnection Agreement, dated the 1st day of June, 1956, as amended, with New York State Electric & Gas Corporation (“NYSEG”), designated as Penelec Rate Schedule FPC No. 23 and NYSEG Rate Schedule FPC No. 20 (the “Penelec/NYSEG Agreement”);

WHEREAS, under the Penelec/NYSEG Agreement, the parties make available certain distribution facilities under certain conditions for each other’s use for the distribution of electric energy to certain customers in areas immediately adjacent to the boundary line between the State of New York and the Commonwealth of Pennsylvania;

WHEREAS, under the Penelec/NYSEG Agreement, the parties also provide supplementary transmission service to each other over certain transmission facilities, the Penelec portion of which will be owned and operated by the Agent as of the Closing Date (“Transmission Facilities”); and

WHEREAS, the parties desire that MAIT act as Penelec’s agent for purposes of the

implementation and administration of the Penelec/NYSEG Agreement to the extent that the Penelec/NYSEG Agreement concerns the Transmission Facilities.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions herein contained, the parties hereto covenant and agree as follows:

ARTICLE I – Agency

1.1 From and after the Closing Date, the Agent shall fulfill the Principal's obligations and exercise its rights under the Penelec/NYSEG Agreement in all respects concerning the Transmission Facilities as exclusive agent of the Principal and for the benefit of the Principal.

1.2 As the Principal's exclusive agent, the Agent shall perform the following duties:

- a. follow the Principal's orders and directions with respect to the Penelec/NYSEG Agreement, provided such orders and directions are consistent with the Principal's contractual obligations under the Penelec/NYSEG Agreement;
- b. make payments due from the Principal under the Penelec/NYSEG Agreement, if any;
- c. report to the Principal as necessary on the activities and operations being conducted under the Penelec/NYSEG Agreement; and
- d. act as the Principal's representative to any administrative or similar committees organized under the Penelec/NYSEG Agreement.

1.3 The Principal shall remain bound by the terms of the Penelec/NYSEG Agreement, including but not limited to terms concerning operations, maintenance, emergencies, cost allocation and responsibility, settlements and payment obligations or credit rights, billing and disbursements, specified uses of the facilities that are the subject of the agreement, schedules, losses, metering, and indemnification.

ARTICLE II – Reimbursement and Disbursement

2.1 In the event the Principal receives amounts under the Penelec/NYSEG Agreement with respect to the use of the Transmission Facilities, the Principal shall forward such amounts to the Agent within thirty (30) days of receipt.

ARTICLE III – Confidentiality

3.1 Each party shall keep confidential and shall not disclose, give or transfer to any third party, any confidential data and information (“Confidential Information”) known to it or obtained by it in connection with the execution or performance of this Agreement, without the written consent of the party claiming confidentiality.

3.2 Each party shall, at the request of the party claiming confidentiality, return, destroy or otherwise dispose of and may not continue to use, any document, data or software that contains any Confidential Information of the party claiming confidentiality.

ARTICLE IV – No Amendment

4.1 The execution of this Agreement will not require the assignment of or any amendment to the Penelec/NYSEG Agreement. Nothing in this Agreement shall modify or replace any provision of the Penelec/NYSEG Agreement.

ARTICLE V – No Effect on Third Parties

5.1 Nothing in this Agreement shall affect the rights and obligations of the Principal under the Penelec/NYSEG Agreement with respect to NYSEG or the rights and obligations of NYSEG under the Penelec/NYSEG Agreement with respect to the Principal.

ARTICLE VI - Indemnification

6.1 Except to the extent otherwise required by law, each party (the “Indemnifying Party”) shall defend, indemnify and hold harmless the other party (the “Indemnified Party”), and

the Indemnified Party's officers, shareholders, members, managers, representatives, directors, agents and employees, from and against any and all claims and/or liabilities for losses, costs or expenses (including to third parties), damage to property, injury to or death of any person, or any other liability incurred by the Indemnified Party, including reasonable attorneys' fees (each a "Covered Claim"), in any manner directly or indirectly arising from or contributed to by the provision of service by the Indemnifying Party under this Agreement, except to the extent that the Covered Claim is caused wholly or in part by any negligence or willful misconduct of the Indemnified Party. The Indemnified Party agrees to provide the Indemnifying Party with notice of any claim made against the Indemnified Party for which the Indemnifying Party may be responsible under this section. To the extent that the parties are jointly liable for a Covered Claim, then liability for such Covered Claim shall be allocated between them in accordance with applicable laws of comparative fault or joint liability in effect at the time liability under a Covered Claim arises.

ARTICLE VII - Effective Date

7.1 This Agreement shall be effective as of the Closing Date, and shall continue in full force and effect, except as herein otherwise provided or as agreed to by the parties.

ARTICLE VIII – Term and Termination

8.1 This Agreement shall remain in effect until the Penelec/NYSEG Agreement is terminated in accordance with its terms or until all of the rights and obligations of the Principal under the Penelec/NYSEG Agreement are assigned to the Agent (the "Term"), provided that the parties may terminate this Agreement prior to these events by written mutual consent.

ARTICLE IX - Successors and Assigns

9.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall not be assigned by a party without the written consent of the other party, which consent shall not be unreasonably withheld or delayed, except that consent shall not be required if the assignment is 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.

ARTICLE X – Notice

10.1 Any and all notices upon receipt when required or permitted under this Agreement shall be in writing and shall be deemed sufficiently given (a) upon receipt when the same is delivered in person or by courier or (b) as of the third business day after the same has been deposited with the United States Postal Service, postage prepaid for certified or registered mail, addressed as follows:

If to MAIT:

FirstEnergy Service Company
Manager, FERC & Wholesale Connection Support
76 South Main Street – 10th Floor
Akron, Ohio 44308

and

Legal Department
FirstEnergy Service Company
76 S. Main Street
Akron, OH 44308

If to Penelec:

Manager, Agreements Support
FirstEnergy Service Company
76 S. Main Street – 10th Floor
Akron, OH 44308

and

Legal Department
FirstEnergy Service Company
76 S. Main Street
Akron, OH 44308

10.2 The above names and addresses of a party may be changed at any time by notice to the other party.

ARTICLE XI - Miscellaneous

11.1 Waivers: Any waiver at any time by a party of its rights with respect to default under this Agreement or with respect to any other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this Agreement shall not be deemed a waiver of such right.

11.2 Choice of 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, by the applicable laws of the Commonwealth of Pennsylvania.

11.3 Counterparts: This Agreement may be executed in two or more counterparts and each such counterpart shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

11.4 Dispute Resolution: In the event of any dispute, controversy, or claim arising out of, under, or relating to this Agreement, the parties shall first attempt to resolve such dispute through good faith negotiations between representatives who will have the authority to settle the dispute. Each party shall give the other party written notice of any dispute not resolved in the ordinary course of business. Within ten (10) calendar days after delivery of any such notice, the

aforementioned representatives will meet at a mutually acceptable time and place to attempt to resolve the dispute. If such designated representatives are unable to resolve a dispute within thirty (30) calendar days after receipt of notice of the dispute, then upon request of a party such dispute will be referred to a senior officer designated by each party for resolution. Each such senior officer shall be an individual who has authority to resolve the dispute. Any dispute not resolved within sixty (60) calendar days following receipt of the request for submission to senior officers may, by mutual determination of the parties, be addressed and resolved through an alternative dispute resolution method to be agreed upon by the parties in good faith at such time, such as, but not limited to, binding arbitration or mediation; provided, however, no party shall be obligated to agree to any alternative resolution method to address the unresolved dispute. Nothing in this section shall in any way limit or preclude a party from pursuing any rights or remedies or obtaining any relief to which it may be entitled at law or equity.

11.5 Invalidity of Particular Provisions: If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and may be enforced to the fullest extent permitted by law.

11.6 Amendments and Modifications: This Agreement may be modified only by written Agreement signed by the parties with the same formalities attendant as upon the execution of this Agreement, it being the express intention of the parties hereto that no provision, term or condition of this Agreement may be amended or varied in any way by an oral understanding or by any document not executed in accordance with this section.

11.7 Entire Agreement: This Agreement sets forth the entire Agreement and understanding between the parties to the subject matter hereof.

11.8 Further Assurances: Subject to the terms and conditions of this Agreement, each of the parties hereto, including without limitation subsidiaries and affiliates of the parties, will use their best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement and to fully effect the intent of this Agreement.

|

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed by their proper officers, thereunto duly authorized so to do the day and year first above written.

PENNSYLVANIA ELECTRIC COMPANY

By: /s/ Jeffrey J. Mackauer

Title: Director, Trans Planning & Protection

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: /s/ Richard A. Ziegler

Title: Director – FERC & RTO Technical Support

ATTACHMENT B

Clean Version of Service Agreement No. 4555

AGENCY AGREEMENT

by and between

Pennsylvania Electric Company

and

Mid-Atlantic Interstate Transmission, LLC

AGENCY AGREEMENT

This Agency Agreement is made as of the Closing Date (defined below) by and between Pennsylvania Electric Company, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania (“Penelec” or “Principal”) and Mid-Atlantic Interstate Transmission, LLC, a Delaware limited liability company (“MAIT” or “Agent”).

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WHEREAS, under the Penelec/NYSEG Agreement, the parties make available certain distribution facilities under certain conditions for each other’s use for the distribution of electric energy to certain customers in areas immediately adjacent to the boundary line between the State of New York and the Commonwealth of Pennsylvania;

WHEREAS, under the Penelec/NYSEG Agreement, the parties also provide supplementary transmission service to each other over certain transmission facilities, the Penelec portion of which will be owned and operated by the Agent as of the Closing Date (“Transmission Facilities”); and

WHEREAS, the parties desire that MAIT act as Penelec’s agent for purposes of the implementation and administration of the Penelec/NYSEG Agreement to the extent that the

Penelec/NYSEG Agreement concerns the Transmission Facilities.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions herein contained, the parties hereto covenant and agree as follows:

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a. follow the Principal's orders and directions with respect to the Penelec/NYSEG Agreement, provided such orders and directions are consistent with the Principal's contractual obligations under the Penelec/NYSEG Agreement;

b. make payments due from the Principal under the Penelec/NYSEG Agreement, if any;

c. report to the Principal as necessary on the activities and operations being conducted under the Penelec/NYSEG Agreement; and

d. act as the Principal's representative to any administrative or similar committees organized under the Penelec/NYSEG Agreement.

1.3 The Principal shall remain bound by the terms of the Penelec/NYSEG Agreement, including but not limited to terms concerning operations, maintenance, emergencies, cost allocation and responsibility, settlements and payment obligations or credit rights, billing and disbursements, specified uses of the facilities that are the subject of the agreement, schedules, losses, metering, and indemnification.

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3.2 Each party shall, at the request of the party claiming confidentiality, return, destroy or otherwise dispose of and may not continue to use, any document, data or software that contains any Confidential Information of the party claiming confidentiality.

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ARTICLE VI - Indemnification

6.1 Except to the extent otherwise required by law, each party (the “Indemnifying Party”) shall defend, indemnify and hold harmless the other party (the “Indemnified Party”), and

the Indemnified Party's officers, shareholders, members, managers, representatives, directors, agents and employees, from and against any and all claims and/or liabilities for losses, costs or expenses (including to third parties), damage to property, injury to or death of any person, or any other liability incurred by the Indemnified Party, including reasonable attorneys' fees (each a "Covered Claim"), in any manner directly or indirectly arising from or contributed to by the provision of service by the Indemnifying Party under this Agreement, except to the extent that the Covered Claim is caused wholly or in part by any negligence or willful misconduct of the Indemnified Party. The Indemnified Party agrees to provide the Indemnifying Party with notice of any claim made against the Indemnified Party for which the Indemnifying Party may be responsible under this section. To the extent that the parties are jointly liable for a Covered Claim, then liability for such Covered Claim shall be allocated between them in accordance with applicable laws of comparative fault or joint liability in effect at the time liability under a Covered Claim arises.

ARTICLE VII - Effective Date

7.1 This Agreement shall be effective as of the Closing Date, and shall continue in full force and effect, except as herein otherwise provided or as agreed to by the parties.

ARTICLE VIII – Term and Termination

8.1 This Agreement shall remain in effect until the Penelec/NYSEG Agreement is terminated in accordance with its terms or until all of the rights and obligations of the Principal under the Penelec/NYSEG Agreement are assigned to the Agent (the "Term"), provided that the parties may terminate this Agreement prior to these events by written mutual consent.

ARTICLE IX - Successors and Assigns

9.1 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall not be assigned by a party without the written consent of the other party, which consent shall not be unreasonably withheld or delayed, except that consent shall not be required if the assignment is 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.

ARTICLE X – Notice

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If to MAIT:

FirstEnergy Service Company
Manager, FERC & Wholesale Connection Support
76 South Main Street – 10th Floor
Akron, Ohio 44308

and

Legal Department
FirstEnergy Service Company
76 S. Main Street
Akron, OH 44308

If to Penelec:

Manager, Agreements Support
FirstEnergy Service Company
76 S. Main Street – 10th Floor
Akron, OH 44308

and

Legal Department
FirstEnergy Service Company
76 S. Main Street
Akron, OH 44308

10.2 The above names and addresses of a party may be changed at any time by notice to the other party.

ARTICLE XI - Miscellaneous

11.1 Waivers: Any waiver at any time by a party of its rights with respect to default under this Agreement or with respect to any other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this Agreement shall not be deemed a waiver of such right.

11.2 Choice of 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, by the applicable laws of the Commonwealth of Pennsylvania.

11.3 Counterparts: This Agreement may be executed in two or more counterparts and each such counterpart shall be deemed an original and all such counterparts together shall constitute one and the same instrument.

11.4 Dispute Resolution: In the event of any dispute, controversy, or claim arising out of, under, or relating to this Agreement, the parties shall first attempt to resolve such dispute through good faith negotiations between representatives who will have the authority to settle the dispute. Each party shall give the other party written notice of any dispute not resolved in the ordinary course of business. Within ten (10) calendar days after delivery of any such notice, the

aforementioned representatives will meet at a mutually acceptable time and place to attempt to resolve the dispute. If such designated representatives are unable to resolve a dispute within thirty (30) calendar days after receipt of notice of the dispute, then upon request of a party such dispute will be referred to a senior officer designated by each party for resolution. Each such senior officer shall be an individual who has authority to resolve the dispute. Any dispute not resolved within sixty (60) calendar days following receipt of the request for submission to senior officers may, by mutual determination of the parties, be addressed and resolved through an alternative dispute resolution method to be agreed upon by the parties in good faith at such time, such as, but not limited to, binding arbitration or mediation; provided, however, no party shall be obligated to agree to any alternative resolution method to address the unresolved dispute. Nothing in this section shall in any way limit or preclude a party from pursuing any rights or remedies or obtaining any relief to which it may be entitled at law or equity.

11.5 Invalidity of Particular Provisions: If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and may be enforced to the fullest extent permitted by law.

11.6 Amendments and Modifications: This Agreement may be modified only by written Agreement signed by the parties with the same formalities attendant as upon the execution of this Agreement, it being the express intention of the parties hereto that no provision, term or condition of this Agreement may be amended or varied in any way by an oral understanding or by any document not executed in accordance with this section.

11.7 Entire Agreement: This Agreement sets forth the entire Agreement and understanding between the parties to the subject matter hereof.

11.8 Further Assurances: Subject to the terms and conditions of this Agreement, each of the parties hereto, including without limitation subsidiaries and affiliates of the parties, will use their best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement and to fully effect the intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed by their proper officers, thereunto duly authorized so to do the day and year first above written.

PENNSYLVANIA ELECTRIC COMPANY

By: /s/ *Jeffrey J. Mackauer*

Title: **Director, Trans Planning & Protection**

MID-ATLANTIC INTERSTATE TRANSMISSION, LLC

By: /s/ *Richard A. Ziegler*

Title: **Director – FERC & RTO Technical Support**