INTERCONNECTION AND OPERATING AGREEMENT

Between

ALLEGHENY POWER

And

ALLEGHENY ENERGY SUPPLY CO ANY, LLC.

For

SPRINGDALE PHASE II

Dated as of November 21, 200

TABLE OF CONTENTS

INTERCONNECTION AGREEMENT

This Interconnection Agreement (this "Agreement") is entered into as of and 21 of November, 2000, by between Allegheny Energy Supply Company, LLC, a Delaware limited liability coin Roseytown y having an office at Rd, R.R. 12, P.O. Box 1000, Greensburg, PA 15601 ("GENERATOR"), Pennsylvania West Penn Power Company, a corporation, Monongahela Power Company, an Ohio corporation, The P Maryland and Virginia Edison Company, a corporation, now all doing business as Allegheny Power ("AP"), Cabin mill Drive, having a place of business at 800 Greensburg, PA 15601. GENERATOR and AP are individually refe collectively as *therred* to herein as a "Party" and "Parties." Capitalized terms not otherwise defined shall have the set forth in Article 1.

WHEREAS, AP is a public utility engaged, among other things, in the b of owning and operating an electric system consisting of transmission and distribution facilities; and

WHEREAS, GENERATOR has (i) purchased or intends to purchase *a* Project roject from AP; or (ii) owns a that sells or sold electric power to AP under an Electric Energy sell electric power chase Agreement and intends to from. the Project to a Third Party; or (iii) has constru or expanded Project , or ed or intends to construct a new (iv) a Project which is currently interconnected intends to sell **electric power** AP Electrical System and **from the Project to the *wholesale*** market.

WHEREAS, GENERATOR intends to operate the Project, which is des ribed in Exhibit 3, for the purpose of selling electric power and has requested permission from AP to inter meet such Project m. order to operate it in parallel with AP Electric System; and

WHEREAS, AP is willing to permit such interconnection and parallel **operation under the terms and** conditions contained in this Agreement; and

WHEREAS, GENERATOR has requested interconnection services; an

WHEREAS, GENERATOR understands. that this Agreement does not distribution service, or Ancillary Services as such services, if necessary, provide any transmission service, arrangements with AP or Third Parties; and 1 be provided under separate

WHEREAS, this Agreement obligates GENERATOR to operate an tain its. Project consistent with Good Utility Practice; and

WHEREAS, this Agreement establishes interconnection and operating procedures for communications between GENERATOR and Operations ponsibilities and associated Center operators; and

WHEREAS, the Parties have agreed to execute this mutually acceptabl Interconnection and Operating Agreement in order for GENERATOR to interconnect and operate in p el with the AP Electric System;

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

ARTICLE **I Definitions**

CJ'

Affiliate shall mean any company or entity (i) that controls the Party, (ii) the Party controls, or (iii) that is under common control with the Party. As used herein, "control" means the p ssession, directly or indirectly and whether alone or in conjunction with others, of the authority to direct or cause **direction** of the management or policies of a company. A voting interest of ten percent or more creates a rebu le presumption of control.

1.2 Ancillary Services shall mean those services that are necessary to schedule or pport the transmission of capacity and energy from resources to loads while maintaining reliable operation f AP's Transmission System in accordance with Good Utility Practice.

1.3 AP Electric System shall mean all properties and other assets, now or her existing, which are owned or controlled by AP or its successor(s), and used for or directly associated wi the transmission, transformation, distribution or sale of electric power, including all additions, extensions, expans ns, and **improvements** thereto, but excluding the properties and assets of Affiliates of AP.

1.4 **AP's Interconnection Facilities** shall mean all the Interconnection Facilities sh

1.6 Confidential Information shall have the meaning set forth in Article 23 hereof.

1.5 Applicable Laws and **Regulations** shall mean all applicable federal, state local laws, ordinances, rules and regulations, and all duly promulgated orders and other duly authorized acti **of any** Governmental Authority having jurisdiction over the Parties and/or their respective facilities.

.7 Control Area: An electric power system or combination of electric power s recognized by NERC or its reliability cou

a. match, at all times, the power output of the generators within the el c power system(s) and capacity and energy purchased from entities outside the electric power systemn(s), with the load within the electric power system(s);
b. maintain scheduled interchange with other Control Areas, within th limits of Good Utility Practice;
c. maintain the frequency of the electric power system(s) within reaso able limits in accordance with Good Utility Practice; and
d. provide sufficient generating capacity to maintain operating reserve m accordance with Good Utility Practice.

1.8 Defaulting Party shall have the meaning set forth. in Article 18.2 hereof.

1.9 **Delinquent** Party *shall* have the meaning set forth in Article 18.1 hereof.

1.10 Delivery Point shall mean either the Interconnection Point or a delivery point s ified in a service agreement under the Open Access Transmission Tariff.

1.11 Design Limits shall have the meaning set forth in Article 2.13.

1.12 Disclosing Party *shall* have the meaning set forth in Article 23.1 hereof.

.13 Dispute *shall* have the meaning set forth in Article 22.1 hereof

1.14 Due Diligence shall mean the exercise of good faith efforts to perform a required act on a timely basis and in accordance with Good Utility Practice using the necessary technical and manpower resources.

15 **Dynamically Scheduled** shall mean an energy schedule automatically delivered to GENERATOR that electronically provides GENERATOR the capability of becoming part of a Control Area other than AP's Control Area if implemented according to Good Utility Practice. **GENERATOR** is responsible for the implementation including but not limited to the cost thereof and monthly communication cLarges associated with a Dynamic Schedule.

1.16 ECAR shall mean the East Central Area Reliability Council, a regional reliabi i ty council established pursuant to the East Central Area Reliability Coordination Agreement, its successor or cLher applicable regional reliability council for AP's Control Area.

1.17 Emergency Condition means an imminent or occurring condition on the AP E uric System, or on the system of the transmission system of a neighboring utility to which the AP Electric **Syst-uui** is connected, or in the Project, which in the sole reasonable judgment of AP is likely to result in significant dis ption of service or damage to any of the foregoing, or is likely to endanger life, property, or the environment.

1.18 Environmental Law shall mean any environmental or health and safety relatel law, regulation, rule, ordinance, guideline, criterion, mandate, order or by-law at the federal, state, or local leel, whether existing as of the date hereof previously enforced, or subsequently enacted.

1.19 FERC shall mean the Federal Energy Regulatory Commission or its successor federal agency. **1.20 Force**

Majeure shall have the meaning set forth in Article 13 hereof

21 Generator's Interconnection Facilities shall mean all of the Interconnection Facilities listed in Exhibit E that GENERATOR will own, operate and maintain, at its costs, in accordance with tie provisions of this Agreement.

1.22 **Good Utility Practice** shall mean any of the applicable practices, methods, standards, guides or acts:

(a) required by any Governmental Authority, regional or national reliability council, including NERC, ECAR, or the successor of any of them, or other applicable regional reliability council for AP's Control Area. whether or not the Party whose conduct is at issue is a member thereof,

(b) otherwise engaged in or approved by a significant portion of the electric utility industry, during the relevant time period which in the exercise of reasonable judgment, in light of the facts known, or that should have been known at the time a decision was made, could have been expected to accomplish the desire i result in a manner consistent with Applicable Laws and Regulations, good bus ness practices, generation, transmission, and distribution reliability, safety, environmental protecti economy, and expediency.

(c) such other acts or practices as are reasonably necessary to **maintain** the reliability of the Transmission System or of the Project.

(d) Good Utility Practice is intended to be acceptable practices, methods, or acts generally accepted in the region, and is not intended to be limited to the optimum practices, methods, or acts to the exclusion of all others.

1.23 Governmental Authority means any federal, state, local or other gove , regulatory or administrative agency, court, commission, department, board, or other governmental subdi ' ion, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority with jurisdiction ver the Parties or their respective facilities.

1.24 Interconnection Facilities are all the necessary equipment required to terconnect the Project with the Transmission System in accordance with Good Utility Practice.

1.25 **Interconnection Point** shall mean the point where the electrical condu rs from the Project contact the Transmission System as set forth in Exhibit A *hereto.*

1.26 **Interest Rate** shall mean the interest rate calculated in accordance with the m odology specified for interest on refunds in the FERC regulations at 18 C.F.R. subsection 35.19a (a) (2) (iii).

1.27 LEER shall mean Lake Erie Emergency Redispatch Procedure. Information on e LEER can be obtained from the LEER proposal filed with FERC.

1.28 Market Re-dispatch ("MRD") entails the creation in advance by one or more urchasing and selling entities of a bilateral redispatch transaction to create a counter-flow over a potentially trained flowgate. If the flowgate becomes constrained, the affected Security Coordinators ***implement*** MRD instead of curtailing the original transaction. The MRD transaction eliminates or reverses *the net flow* of the on transaction on the constrained flowgate. A *copy of the procedure* can be downloaded via the Inte et from *the* NERC website at htp:ri«www.nerc.cor.

Maximum Output shall mean the specified maximum megawatts ("MW) th Project is capable of generating. The Maximum Output for the Project is 525 MW in the summer months (temp tures above 70° F) and 590 MW in the winter. Such Maximum Output was used for the interconnection dy to determine the necessary Interconnection Facilities and System 1.29 Upgrades in order for the Project to rconnect to the AP Transmission System.

1.30 **Minimum** Dispatch Output shall mean the minimum level of generation for re ble operations of the Project as set forth in the Design Limits.

1.31 Minimum Loading Conditions shalll mean a condition where all generating within the AP's Control Area are at minimum load and there is an imbalance in the Control Area.

1.32 NERC shall mean the North American Electric Reliability Council or its succe or. 1.33 **Non-**

Defaulting Party shall have the meaning set forth in Article 18.2 hereo 1.34 **Non-Delinquent**

Party shall have the meaning set forth in Article 18.1 hereof. 1.35 Notifying Party shall have

the meaning. set forth in Article 10.2 hereof.

1.36 **Open Access Transmission Tariff or OATT** shall mean the open access trans ssion tariff of AP on file with the FERC.

1.37 Operations Center ("OC") shall mean AP's Operations Center which is respo ible for the dispatch and operation of AP's Transmission System and to maintain reliability criteria as dictated by AR and NERC.

Out of Service shall mean the condition of any equipment when it is electri y disconnected from the Project or Interconnection Facilities.

Person shall mean an individual, partnership, joint venture, corporation, ted liability company, trust, or Governmental Authority.

Planned Outage: Action by either Party, which is scheduled in advance and duration a predetermined start date and pursuant to the procedures set *forth* in Article 4, to take the Proj Service. or any equipment thereof Out of

1.41 Project shall mean the generation facility described in Exhibit J.

1.42 Qualified Personnel shall mean individuals trained for their positions pursuant o

Good Utility Practice.

1.43 Receiving Party shall have the meaning set forth in Article 23.1 hereof.

ment at the Project for sending

1.44 Remote Terminal Unit (RTU) shall mean real time communications equi its and their directors, officers, generation data, to AP Operations Center's Energy Management System compu legal counsel and accountants).

1.45 **Representatives** shall mean, as to any Person, such Person's Affiliates employees, sment and emergency operations agents and advisors (including, without limitation, financial advisors

generating units, re-energize the tem black out.

ent that, following a system black ability serves to provide an initial

1.46 Security Coordinator shall mean an entity that provides the security ass on process to re-energize the coordination for a group of control areas as defined by NERC.

47 System **Restoration** shall mean the restoration process to restart other Transmission System, and ultimately restore service to customers following a s

o er output from. its Project in

1.48 System Restoration Capability shall mean the provision of generating eq out, is

able to start without an outside electrical supply. System Restoration startup supply source ection for the roject. for other system capacity as one. part of a broader electric supply and delivery system.

1.49 System **Restoration** Services shall mean GENERATOR using electrical cooperation with AP's System Restoration efforts.

1.50 System Upgrades shall mean the required upgrades to the Transmission Sy study.

1.51 Target **Interconnection Completion Date** shall be

the targeted date of interco 1.52 Term shall have the

meaning set forth in Article 19 hereof. 1.53 Third Party

shall mean a Person other than AP or GENERATOR.

1.54 Transmission System shall mean all facilities of AP that are classified as. p of the transmission function in the OATT or its successor. For purposes of this Agreement the. Transmission S may include certain distribution facilities.

ARTICLE 2 **Interconnection**

0.1 Target Interconnection Completion Date shall be no earlier than Julyl, 2002. rior to the Target Interconnection Completion Date, the Interconnection Facility must be complete and rifled and approved by AP in accordance with the provision of Article 7. In the event the Target Interconn to Completion Date is not met due AP's Interconnection Facilities not being complete, the Target Interco extended on Completion Date shall be to compensate for the delay. In the event the Target Interconnection mpletion Date is not met due GENERATOR's Interconnection Facilities and/or Project not being comp/ to

Completion Date shall automatically be established to be concurrent with e completion of the Project as long as AP has billed and GENERATOR has paid all costs of AP's facilities constru 1 I on as contemplated under Article and AP has not been asked to delay its facilities construction. In the event the Project TOR is unable to complete within one year of the original Target Interconnection Completion Majeure, the ate for reasons other than Force owner of the Project shall offer to sell the Project to any Third P AP is asked to *res) at the current market* rate. If delay **facilities construction for reasons other than** Force Ma' Completion Date e, a new Target Interconnection may, but does not have to be, established by AP in consultati is experienced by AP in receipt n with GENERATOR. If 1) delay of payments called for under Article 11; or 2) fo a request is registered by reasons other than Force Majeure **GENERATOR** with AP for delay and GENERATO good faith attempt to sell the has not made in AP's judgment a Project, AP may instead terminate this Agreement.

In the event the GENERATOR is successful in selling the Project, a new mu Completion

nnection requirements and System stem Upgrades shall not provide interconnection requirement and rconnect and deliver power into ons of this Agreement. Such specified in Exhibit C. Unless d at the time of execution of this R desires to obtain transmission applicable requirements for new be deemed either expressly or Date shall be negotiated between AP and the buyer of the Project. on or distribution service for the

2.2 The interconnection study performed by AP shall determine the necessary inter on Point in accordance with this Upgrades and associated costs. Such interconnection requirements and S service under the OATT for the GENERATOR any **rights** to transmit power over Transmission System. ted with the transfer of electric System Upgrades will only provide the GENERATOR the **ability to in** shall not be provided under this **Transmission** System at the Interconnection Point under the terms. and ated with the output of the Project interconnection requirement and System Upgrades and associated costs shall otherwise agreed to by both Parties, costs specified in Exhibit C shall be p Agreement es into AP's Control Area. Such and prior to procurement of equipment. In the event GENERA service over the Control Area. Schedules will be Transmission System, GENERATOR must comply with th transmission service requests in ounce Generator Name" Refer to the OATT. Nothing in this Agreement s impliedly to obligate AP to provide or make available any electric transport of electric energy from the Project.

Article I I all costs incurred for by AP for AP's Interconnection

GENERATOR or its customer shall notify AP of the Project's expected sch notification shall include such information as is reasonably required by AP' submitted via NERC Tag. The NERC Tag must. include "AETS" in the " Exhibit II for project specific language associated with the NERC Tag.

2.3 AP shall accept electric energy produced by the Project, at the Interco,,
Agreement. GENERATOR or its customer must arrange for transmission transmission of electric energy, and the supply of any Ancillary Services as energy from the Interconnection Point to the Delivery Point. Such service Agreement. Transmission Service from, the Project shall have a schedule as *to the* Delivery Point.

d4 GENERATOR shall pay AP as specified in Exhibit C and in accordance construction of AP's Interconnection Facilities. Any and all costs in
Facilities, and/or System Upgrades. shall be. paid by GENERATOR..

In addition, GENERATOR shall pay AP all costs associated with installation, tenance and testing of all RTUs and associated equipment.

2.5 AP shall own the property on which the AP Interconnection Facilitiess are loca . If ownership cannot be acquired, other mutually agreeable arrangements may be made and shall be specified in Exhibit H hereto. GENERATOR shall provide to AP all necessary easement, and rights of way upon, over and puss lands *owned* or controlled by GENERATOR Such easement and rights of way shall not be physically *through* the GENERATOR's Project and shall meet all AP's requirements.

2.6 a) AP shall have a fence around AP's Interconnection Facility, and GENERAT R shall not have access inside the fenced area.

b) The voltage at the Interconnection Points, shall be in the form of three phases, approximately sixty alternating current. The equipment for the Interconnection Facilities s be at *the* nominal voltage of the Interconnection Point.

c) Over and under voltage and over and under frequency relaying will be ' ed to trip *the AP* breaker. Neither Party shall have control of the *other Party's 138* kV breaker with the ex lion of transfer tripping for agree upon protective functions as shown in Exhibit. I?.

d) A current differential relaying scheme and a back up overload relaying se shall be installed between *the* two 138 kV breakers. In the instance of interconnection at 500 kV or hijzhe a second high speed relay scheme shall be required, Waiver for *the* underlined language is specified in Exhibit H.

2.7 It is the intent of the Parties that power deliveriess to *the AP* Transmission Sy Output shall not exceed the Maximum defined in Article 1.29 at any time. In the event that power deliveries e ceed the Maximum Output at time, *the* Parties shall cooperate to determine the reason the Maximum Ou any ut was exceeded. If the determine that such an event was not due to Force Majeure or an Emergency recur, Parties ndition and is then a new Maximum Output shall be established. AP **shall** have reasonably likely to right to conducted at GENERATOR's expense, to determine whether GENERATOR r require that a study be uires or *whether* System Upgrades are required to accommodate the increased access to additional facilities urn for access to such additional or new *facilities In the* event *the Parties are* Output. Generator shall pay le to Maximum Output was exceeded, they shall resolve their dispute according to agree on the reason why the terms of Article 22.

2.8 GENERATOR shall be responsible for obtaining capacity and/or energy to satisfy its power requirements and demonstrate to AP's. reasonable satisfaction that such arrangements have requirements from a Third Party, GENERATOR shall be responsible for its Shall made. AP shall reasonably transition charge or similar charges as well as any other surcharges autho its purchase of power having jurisdiction. In the event **GENERATOR** elects to purchase its power r oc ble. share of any competitive may require additional metering equipment in order to calculate the transition any by any Governmental Authority other surcharges authorized by Governmental. Authority. uirements from a Third Party, le tariff or agreement. AP shall upon between the Parties. AP go or similar charges as well as

GENERATOR may purchase its power requirements from AP under an appli *and the* transmission system, have no obligation to supply **GENERATOR** energy for resale unless otherwise shall GENERATOR purposely interconnected to more than one than specified in Exhibit H.

In the event there is a discrepancy with respect to installation and maintenance Agreement shall prevail over the applicable tariff.

In the event the GENERATOR is interconnected to AP's distribution sy ***GENERATOR*** must install break-before-make transfer switches. At no interconnect its generation to the distribution system. GENERATOR shall not point

of interconnection to the Transmission System simultaneously oth

GENERATOR shall not be interconnected to the Transmission System and any other electrical system simultaneously. Appropriate protective relaying and interlocks must be ed, which may include but are not limited to voltage sensing, reverse power flow and synch check trol schemes. If GENERATOR's relay and Project is unable to meet the specifications in this Article 2.8, other specificati may be agreed to by both Parties which shall be included in Exhibit H hereto.

2.9 In the event that AP is subject to any penalties for failure to meet local, regio nal or national reliability standards, GENERATOR shall share in the responsibilities prescribed by the penalty to the extent that and in proportion to GENERATOR's contribution to such penalties.

2.10 Energy shall be scheduled per the OATT by the GENERATOR or its cast Project or from a pool of generation within AP to the Transmission Sy customer of AP. The receipt point of energy to the Transmission System shall Article shall not apply to schedules with points of delivery within AP's Co established is not met for any hour, a generation supply imbalance will exist f within the AP control area for scheduling purposes shall only be an option under FERC OATT or

om er as appropriate either from the for redelivery by a transmission be the Interconnection Point. This Area. If a scheduled amount so r that hour. Pooling of generation for as long as it is legitimate to do so ed amount in a given hour, an tput (pool or Project as appropriate) exist for that hour. In the event of an 0 of AP's out-of-pocket costs or ce, GENERATOR shall not be ns communicated to GENERATOR t to other agreements with AP.

Mode, as specified in Article 4.13 cle 2.10 as long as GENERATOR

ply imbalance, GENERATOR shall to GENERATOR's contribution. to

eement shall be amended to

2.11 During. Minimum Load Conditions, and if GENERATOR is in imbalance rely Article 2.10, AP may require **GENERATOR** to adjust its delivered energy GENERATOR can not adjust deliveries to its schedule after notice to do s Control Area still has an imbalance AP may require GENERATOR to adjust its to the schedule or shut down its unit(s) in order to help balance. AP's Control

tiv to o

2.12 (a) The Parties recognize that other utility companies may be affected by th performed by AP prior to this Agreement, such other utilities, if any, have been communicated to GENERATOR. At GENERATOR's request and exp utilities studies completed by AP, technical data as it relates to the affected other information deemed necessary by the other utilities to complete their study.

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subsequent transmission tariffs or NERC policies.

If the actual delivered output (pool or Project as appropriate) is less than the s undersupply imbalance will exist for that hour, and if the actual delivered ou exceeds the scheduled amount in a given hour, an oversupply imbalance will undersupply imbalance, GENERATOR shall pay to AP the greater of 110 $100/M'Wh for the replacement energy. In the event of an oversupply im compensated, unless the oversupply imbalance occurs as a result of instructio by AP's OC or under obligations that may be imposed on GENERATOR p

In the event that AP incurs a penalty charge as a result of any generation sup also

If GENERATOR elects to operate its entire Project in the Automatic Di A. 1, operates within the regulation bandwidth set for Generator(s) GENERATOR shall not incur a Generator Imbalance charge under this

reimburse AP for such penalty charge to the extent that and in proportion such penalty charge.

In the event AP adopts another methodology to handle Generator Imbalance, include such methodolgy in accordance with Article 24.2.

e to the schedule set pursuant to match the schedule. In the event from the Control Area and AP's delivered energy within 15 minutes Project. In the course of studies identified and this information has , AP shall provide to the other in AP's Electric System or any

Q(b)GENERATOR has acc irv necessary or appropriate interconnection facilities studv(ies). approvals. and/or upgrades from any utility company with which AP has an interconnection agreement and that is potentially affected by the Project as identified by AP's studies pursuant to 2.12 (a) so as not to impact such other utility comnanv(ies) and/or the existing interfaces between AP and such other utility companv(ias) prior to the execution of this Agreement. Waiver *for* **the *underlined* language is specified in Exhibit H hereto.**

(c) GENERATOR agrees to indemnify and hold harmless AP, its directors, c ***fficers,*** agents, representatives and employees against and from any charges *or* assessments by the indicated other affected utilities against GENERATOR *for* the actual, reasonable costs incurred *for* system modifications or upgrades required by Good Utility Practice in order to alleviate any adverse impact the Interconnection or the operation of the Project or the Interconnection Facilities has on such affected utilities and/or the existing interfaces. In the event the required upgrades are located on AP's facilities, **GENERATOR** agrees to pay AP for the actual, reasonable costs incurred for system modifications or upgrades required by Good Utility Practice to alleviate any adverse impact the Interconnection or the operation of the Project or the Intercomnection Facilities hLs on the existing interfaces.

(d) GENERATOR shall pay for any and all damages AP incurs from GENERATOR's failure to comply with this Article 2.12, except as prescribed by Article 14.

2.13 Design Limits are Project equipment manufacturers' written recommendations, which are attached hereto as Exhibit G. The **Projects equipment *shall not* limit AP's** ability to at least retain the Transmission System in the same condition prior to the interconnection of GENERATOR's Project.

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ARTICLE 3 Svstem Restoration

3.1 In an Emergency Condition, GENERATOR shall cooperate fu ly with AP GENERATOR s efforts for System Restoration. Area shall make System Restoration Services available to the Contro AP's Control Area in order to start generators in or before making such services available directly to generato Area. Within sixty (60) entities outside of AP's Control minutes of AP's notification to GENERATOR GENERATOR shall have Qualified f System Restoration conditions, Personnel available at the Project.

AP may elect to perform periodic testing of AP's System Restoration plan. G RATOR shall cooperate with AP on ' such efforts. AP may require GENERATOR to have Qualified Per participate in AP's System Restoration meetings.

on of additional hardware that ENERATOR for its out of pocket

ARTICLE 3 Svstem Restoration

3.2 If found mutually desirable, AP and GENERATOR may negotiate costs for may enhance System Restoration Capability. In all cases, AP will compensate costs of providing or testing any level of System Restoration Services.

ARTICLE 4 Operations and Maintenance ("O&M")

GENERATOR shall pay AP in accordance with Article 1 I for all operation AP to operate and maintain AP's Interconnection Facilities shown on Exhibit D

4.2 GENERATOR shall own, operate and maintain at GENERATOR's sole expe with Good Utility Practice to prevent degradation of voltage or service GENERATOR's equipment shall conform to industry standards. Industry limited to harmonic distortion and voltage fluctuation. GENERATOR shall, u consistent with Goc Utility Practice and the Design Limits, test, calibrate, v control settings as necessary meet the performance requirements of the T

its Project in a manner consistent of AP's Transmission System,

dards may include but are not

on the reasonable request of AP and

or adjust the voltage regulator

ssion System.

on Facility and/or Project fails to

ent, or GENERATOR has failed

on Facility and/or Project in

4.3 (a) If AP reasonably determines that any of GENERATOR's Interconn perform in a manner consistent with Good Utility Practice or this Agr

ve GENERATOR written notice

vide such written notice as soon as

ve action consistent with Good

R fails to initiate corrective action

's facilities connected with AP's

dition, AP may, with as much

to perform proper testing or maintenance of GENERATOR's

accordance with Good Utility Practice or this Agreement, AP shall

ection between GENERATOR and

TOR, as verified by AP. AP's

(except in Emergency Conditions) to take corrective action. AP shall p

practicable upon such determination. GENERATOR **shall** take such

shall be made pursuant to Good

ately confer with GENERATOR

tion concerning timely correction

Utility Practice and the requirements of this Agreement. If GENERAT

e Project can re-connect with the

If GENERATOR reasonably determines that any of AP's

manner consistent with Good Utility Practice or this Agreement, or AP

(b) or maintenance of its Interconnection Facilities in accordance with

• Facilities fails to perform in a

failed to perform proper testing

GENERATOR shall give AP written notice to take corrective action

during which GENERATOR may provide AP with verbal notification).

Utility Practice or this Agreement,

(except in Emergency Conditions

written notice as soon as practicable upon such determination. AP

GENERATOR shall provide such

consistent with Good Utility Practice and the requirements of this

shall take such corrective action

promptly, and ifcorrective action promptly, and if in GENERATOR's reasonable ju

cement. If AP fails to initiate

with the Transmission System would create and/or exacerbate an Em

ent leaving the Project connected

may, with. as much prior verbal notification to AP as practicab

gency Condition, GENERATOR

GENERATOR and AP until appropriate corrective actions have

• open the connection between

completed by AP, as verified by

GENERATOR. GENERATOR's judgment with regard to an interru

• of service under this paragraph

shall be made pursuant to Good Utility Practice. In the case of such

interruption, GENERATOR shall

in ediately confer with AP regarding the conditions causing such

nterruption and its recommendation

concerning timely correction thereof. AP shall take immediate corr

ve action so that Project has the

opportunity to re-connect with the Transmission System.

R breaker connected to an AP bus

section.

in AP's reasonable judgment leaving GENERAT

Transmission System would create and/or exacerbate an Emergency prior verbal notification to GENERATOR as practicable, open the AP until appropriate corrective actions have been completed by G judgment with regard to an interruption of service under this p Utility Practice. In the case of such interruption, AP shall in= regarding the conditions causing such interruption and its recommen thereof GENERATOR shall take immediate corrective action befo Transmission System.

4.4 Any protective relay control system that causes any AP breaker or GENERAT to operate shall be maintained and tested in accordance with the provisions of

4.5 AP shall, at **GENERATOR's** expense and in accordance with Good Utility test AP's

system protection equipment consisting of **but not limited to pro current transformers and potential *transformers* as shown in Exhibit D that pro**

Niaof System. GENERATOR shall, in accordance with Good Utility Practice, o GENERATOR'S system protection equipment consisting of but not limited breakers, current transformers and potential transformers as shown in Exhibit E necessary, upgrade their respective protective relay systems, and in *the* case of system equipment associated with the Interconnection Point, in accordance provide the other Party with access **to *copies of* operation and maintenance equipment, and in** the case of GENERATOR, any synchronization system equip Good Utility

Practice, to review and approve all synchronising procedures n proper and safe interconnection between GENERATORS Project and *the T* **shall not unreasonably be withheld.**

4.6 The Parties shall test *their* respective relays associated with *the* Interconnecti operation in accordance with Good Utility Practice. Complete functional schemes shall be coordinated so as to be performed at *the* same time.

relay systems which result in complete testing and functional verification o Interconnection Point will be ***considered as a* complete ECAR test and then maintenance and testing cycle.**

4.7 GENERATOR shall bear the cost of all relay calibration and functional Interconnection Facility and Project to the extent such calibration and

Practice. All such testing must be performed by a Qualified Personnel. GENERATOR for an annual, visual inspection of the **GENERATOR's** Into

associated maintenance records. Upon completion of all relay calibratien GENERATOR shall make available copies of all test reports for review by AP

AP shall review all its test reports and certify that the relay systems tests and have been done in accordance with the equipment specifications and

certification shall be signed by Qualified Personnel competent to perform analysis.

4.8

Each Party shall operate the Interconnection Facilities in a safe and efficient Applicable Laws and Regulations, and Good Utility Practice, and otherwise in Agreement. **GENERATOR** shall be required to comply with the requests, orders to the extent such requests, orders, directives or requirements are (a) issued p not unduly discriminatory, and otherwise in accordance with applicable tariffs and (c) consistent with the requirements of this Agreement. In the event G order or directive of AP exceeds these limitations, it shall nevertheless comply AP pending resolution of the Dispute

ce, own, operate, maintnin and
ve relays, power circuit breakers,
-de protection for the Transmission
operate, maintain and test the
protective relays, power circuit
The Parties shall maintain, and, as
ENERATOR, any synchronization
Good Utility Practice, and shall
s and test records for all relay
ent. AP shall have the right, using
ary to establish and maintain
mission System, which approval

Point for **correct calibration and of both Parties' relay protection**

***or modifications* to** the protective
all relay systems associated with
e shall restart the normal ECAR

associated with **GENERATOR's**
are consistent with Good Utility
addition, AP may arrange with
nnection Facility and Project and
and relay functional testing,

as shown on such test reports
Utility Practice. Such test and
otective relay system design and

and in accordance with all
accordance with the terms of this
directives and requirements of AP
to Good Utility Practice, (b)
Applicable Laws and Regulations,
RATOR believes that a request,
the request, order or directive of
in good faith to expedite the

under Article 22. The Parties agree to resolution of any Disputes arising under this Article 4.8.

4.9 To provide for the safe operation and maintenance of *high* voltage facilities, all system conditions, including GENERATOR's plans for bringing its gene system outages that could impact GENERATOR's ability to run its generators shall coordinate inspections, planned outages and maintenance of their respecti so as to minimize *the* impact on the availability, reliability and security of both P

Parties must be kept informed of
• or off line and AP's plans for
at Maximum Output. Each Party
equipment, facilities and systems
*es' systems and operations.

AP shall coordinate such maintenance interruptions with GENERATOR and much advance notice as possible but in no event **shall** the notice be less than determines an Emergency Condition exists or may exist that requires quicker acti for lost income, lost opportunity costs or any other costs GENERATOR incurs outages on the **Transmission** System or AP's Interconnection Facilities.

provide GENERATOR with as
(3) business days except when AP
to correct. AP shall not be liable
due to AP's planned or unplanned

AP normally limits maintenance interruptions to business hours on a business **In** the event that GENERATOR desires the proposed maintenance interruption that specified above, AP reserves the right to charge GENERATOR the additi

between 7:00 AM and 3:30 PM.
occur during periods other
than cost for work performed.

GENERATOR shall provide a preliminary schedule of planned outages *(outage* annual basis to AP in writing *by* July 15 for the ' calendar year. For GENERATOR will indicate the month, day, and year the planned outage is ex and year the planned outage is expected to be completed. The capacity affected preliminary request for maintenance power **shall also be included. AP *shall*** September 1. Any maintenance power requests will be confirmed within the tun rate schedule.

lion of one week or more) on an
GENERATOR planned outage,
the preliminary schedule by
frame specified. in the appropriate

GENERATOR shall prepare and submit to *AP by 11:00 am* three working planned outages of all types and duration at the Project except when GENE Condition exists or may exist that requires quicker action to correct. GENE such planned outage including the start and stop date and time.

ys prior to the day of scheduled
TOR determines an Emergency
TOR shall set forth in detail each

4.10 **GENERATOR** shall ensure that the **GENERATOR** plant operator (or an alte been shut down) is available by telephone for monitoring and control of the fac seven (7) days a week, fifty-two (52) weeks per year. Both Parties shall have This telephone number shall be unlisted and limited to essential use for OC. In addition, GENERATOR shall have "call waiting" if available. Fo operations, AP maintains a central **dispatching office at its OC. *AP shall have* twenty-four** (24) hours a day, seven (7) days a week, fifty-two (52) weeks per y specified in Article 24.10.

five contact when the facility has
twenty-four (24) hours a day,
dedicated local telephone circuit.
ons with entities such as the
the purpose of coordinating AP
personnel available by telephone
- Address and phone numbers are

Personnel from AP or any designated *Representative shall* be provided access reasonable advance notice (orally or in writing) to any metering devices, power or any other AP equipment installed on the GENERATOR property. Pers **Representative may visit and inspect the Interconnection *Facilities at any r* advance** notice, orally or in writing.

4.11

• any reasonable time and upon
'tching devices, or control devices
el fioin AP or any designated
onable time and upon reasonable

4.12 The uniform assignment of names to interconnections, lines, substations, and provide a foundation for safe and efficient operation of the system and to GENERATOR equipment that interfaces with AP shall be provided to *the* OC p be shown on on-line diagrams and on the equipment itself Equipment names m provide clear and distinct identity to all lines and substation equipment.

station equipment is necessary to
good records. The naming of
r to the initial operation and shall
be installed on the equipment to

4.13 Generation Control

A. GENERATOR shall inform AP of its initial. mode of operation no late than three months *prior* to Target Interconnection Completion Date.

It is GENERATOR's responsibility to protect the Project's units at all times. GENERATOR generating shall operate its generating units in one of the following generating 1 mode(s):
contr

1. Automatic **Dispatch Mode:**

The OC computers will be in control of GENERATOR's generating is for the purpose of automatic generation control, using dispatch price curves as directed by G TOP, but subject to the further provisions of this Article 4.13 A. OC must set its automatic dispatch ntrol limits for the units to values requested by GENERATOR and the rate of response for the units to the the values which routinely derive from application of subsection C below. The automatic dispatch control be included is and rate of response shall also

RATOR is providing Ancillary

in the telemetered data from GENERATOR to the OC comp
GENERATOR may be in the Automatic Dispatch Mode only if G
Services to AP under a Ancillary Services agreement. RATOR will be in. *full* control

2. Manual Dispatch Mode:
The OC computers *win* not control GENERATOR's generating units. G of the

R must take control of the units, of the status of the units and any

Project output.
If a problem occurs while in the Automatic Dispatch Mode, GENERA such *as* **Mode from Automatic Dispatch** switching to Manual Dispatch Mode, and notify OC-North Des problems with the **icity for any of the following five** units.

i) 3. OC may also direct **GENERATOR to switch to Manual Dispat Mode, or may direct GENERATOR to** dance with the requirements of , or

cease generating elect (5) conditions: limited to Project's units out of

AP scheduled outages, which shall be scheduled in this Agreement, including without limitation Article redispatch such as LEER and/or Emergency Conditions, or; Unacceptable electric characteristics such as but phase, voltage spikes; or

v) In the event GENERATOR elects to participate Dispatch Mode (this does not MRD, provided GENERATOR's participation el others units must be shut down).

OC must record and must notify GENERATOR to record the con generating electricity or switch to Manual Dispatch Mode have b
attempt to minimize the duration of such conditions. Attempts will
as soon as reasonably possible of scheduled outages, system emer
MRD. In Manual Dispatch Mode, OC shall not request
GENERATOR's Minimum Dispatch Output nor above GENERAT

B. e to five percent (5°fe).

to request the units to start up or shut down; OC computers are not available for Automati necessarily create a situation in which GENERATO

tion under which orders to cease directed. In all cases, OC will be made to inform GENERATOR encies and if applicable LEER or ENERATOR to operate below R's Maximum Output.

GENERATOR shall maintain its speed govern r droop as close as practica 16

C. If GENERATOR experiences a change in operating capacity, OC must be notified immediately of the amount of, and reason for the change, the expected duration of and the time at whi all such changes became effective. GENERATOR shall notify OC-North Desk by telephone as soon as p cable when there is a change in status on its units (either coming on or coming off line). At such time, G TOR shall provide AP with the ramp rate of the units. AP shall determine if *the ramp rate* needs be modified. GENERATOR shall comply with such ramp rate modification subject to *the* Design Limits.

4.14 Voltage Responsibility

(a) GENERATOR shall design the Project to maintain the historic pre-project Itage profile at the Interconnection Point. GENERATOR shall be tested for reactive capability at the time f interconnection. GENERATOR must demonstrate the ability to maintain historical pre-project voltage sch ule *provided by OC* for such test. Such historic voltage profile shall be provided in Exhibit I. In the event G RATOR foils such test, AP may require at GENERATOR's expense installation of a dynamic reactive so to meet such requirements.

(b) OC shall be responsible for monitoring overall system conditions and G RATOR shall take such voltage corrective action, as OC shall require. *OC shall provide a voltage* schedule as measured at the Interconnection Point. GENERATOR shall continuously operate its generators so as to f w this voltage schedule within +/0.5% at all times. OC shall notify GENERATOR immediately by telepho if *GENERATOR* exceeds the +l0.5% voltage accuracy range. GENERATOR shall maintain such vo e schedule provided the voltage schedule can be maintained within the GENERATOR reactive capabilities as tested pursuant to Article 4.14 (a).

In the event the GENERATOR does not meet the voltage schedule prove by OC, provided such schedule could be maintained within the reactive capabilities as tested pursuant to 'cle 4.14 (a), GENERATOR shall be subject to one of the following penalties:

(i) Penalty = WAR deviation from tested reactive capability ass tested Article 4.14(a)* $/MVARH or

$/MVARH shall be based on a carrying charge for a dynamic reacti source over the estimated time in which the Project would be on line over a ten year period.

(ii) AP may require at GENERATOR's expense, the installation of a d c reactive source to meet the reactive capabilities of the Project as initially tested. in Article 4.14(a) The GENERATOR shall only be responsible for providing reactive capability equal to the reactive ilities. as. tested in Article 4.14(a). AP is solely responsible for all costs associated with the installation f additional reactive capabilities in excess of the GENERATOR's tested reactive capabilities.

(c) GENERATOR shall provide AP Design Limits as specified in Article 2.1 Design Limits shall be reviewed and approved by AP. Any changes in the generator capability curves from ose set forth in the Design Limits shall be mutually agreed to in writing by GENERATOR and AP. GENE TOR agrees to cooperate with AP in setting main transformer taps to optimize GENERATOR's ability to rate within the voltage schedule provided by AP.

(d) The GENERATOR automatic voltage regulation must be in service when e Project is on line, except when GENERATOR takes corrective action required by OC. In the event G TOR's voltage regulation is Out of Service or operating improperly, GENERATOR shall immediately OC by telephone. This condition may cause interconnection problems, which would require GENERATOR to be off line until the problem is corrected.

(e) Notwithstanding the penalties in 4.14 (b), GENERATOR **shall** be respons e for any penalties, damages, or any other costs incurred by AP that are directly and proportionally due to ENERATOR's failure to meet the obligations set forth in this Article 4.14.

4.15 Operation of **GENERATOR's 138 kV Breaker**

In the event AP determines the operation (opening or closing) of GENERATO 's 138 kV breaker will cause an Emergency Condition on Transmission System, GENERATOR shall not ope tc its breaker until AP authorizes such operation.

4.16 Switching Scope **and Limitations**

Switching scope and limitations is specified in Exhibit K. 4.17

Hourly Output

GENERATOR shall electronically transmit to OC the hourly output of the G RATOR unit(s). GENERATOR shall provide the hourly readings by telephone in the event the normal electronic mmunication path is unavailable. OC will acquire the 24-hour totals from AP's meters located at the Interconnecti Point. If Project is manned, AP may also check and confirm the 24 hour totals with the GENERATOR by tel hone each night after the midnight readings are complete.

4.18 Operating Log

Both Parties shall maintain operating log(s) with records of hourly real power p ction, all changes in equipment operating status, planned and unplanned outages, and any unusual conditions and time of each logged occurrence will be clearly identified with and during inspections. The date each logged 24-hour military format using, as appropriate, Eastern Prevailing ntry. The time will be reported in Time. Each such information within thirty (30) days of the. other Party's request. Both P arty shall provide the other Party at least 7 years before the Parties may discard them. es operatingg logs must. be retained

4.19 Notifications and Reporting of Emergency Conditions

Each Party shall provide prompt verbal notice to the other Party of any ergency Condition which may be reasonably anticipated to affect the other Party's equipment, facilities or ope ons, provided that, to the extent applicable, notices regarding constraints, curtailments or interruptions shall e provided consistent with FERC Order Nos. 889, 8#19-A and any successor thereto. Such verbal notifica ion shall be followed by written notification, describing the nature and extent of the condition, the impact on within erations and all corrective action, forty-eight (48) hours of the first mentioned Party's knowledge of such may take mergency Condition. Either Party reasonable and necessary action, both on its own and the other Party' to prevent, avoid system, equipment, and facilities, or mitigate injury, danger, damage or loss to its own restoration of service; ent and facilities, or to expedite provided, however, that the Party taking such action s at all possible before taking any give the other Party prior notice if action on the other Party's system, equipment facilities

In the event of an Emergency Condition, each Party shall provide the other P and data with such information, documents, necessary for operation of the Project and the Transmission System information which eluding, without limitation, such is to be supplied by either Party.

ARTICLE 5 Metering

AP shall at GENERATOR's expense, *in* accordance with Good Utility Practice, install, own, operate, test, and maintain revenue meters and related equipment for the Interconnection Point between the Project and AP at the Interconnection Point. t measure electric power flows GENERATOR installed by AP that meet the requirements of this Article 5. y install parallel meters to those AP's meters wi ll be used to measure power flows under this Agreement unless AP's meters are found to be ve in which case GENERATOR's inaccurate or defe requirements of this Article 5 and meters will be used if such equipment has been tested in accordance with the shown to be metering accurately. The information the event there is a discrepancy with provided by the metering needs and approvals of both Parties, consistent with Good this Agreement and any other Utility Practice. In respect to installation and maintenance costs associated with

5.2 (a) AP shall inspect and test or cause to be inspected and tested all of AP's m devices upon the installation thereof, at GENERATOR's expense. Upon request of GENERATOR, AP s *and from* time to time AP inspect or test or cause to be inspected or tested any AP metering device at may any other reasonable time and shall permit or cause to be permitted an authorized representative of GENERATOR to be present at any such inspection or test. The cost and expense of any such inspection or test shall be paid by G is found to ENERATOR. If a metering device be defective or inaccurate, it shall be adjusted, calibrated, GENERATOR's repaired or replaced by AP at expense.

y corrected by AP. If in any test a stm ent shall be *made in* settlements months, as the inaccuracy is egi stration should be so erratic as to upon records of check meters,

If the *GENERATOR* has installed meters and, upon testing by AP, the G RATOR's meters are found to be registering accurately, the reading of the Generator's meters shall be used wh any en testing under *Article* 5.2 discloses inaccuracy of two percent or greater in AP's meters.
metering betw contract or tariff, this Agreement shall prevail.

(b)Any inaccuracy disclosed by tests specified in Article 5.2 shall be pro meter is found to be inaccurate by more than two percent, fast or slow, an adju hereunder to compensate for such inaccuracy over a period not to exceed determined to vide direct readings of the Project's have existed. If at any time a meter should fail to register or its r be meaningless, the have metered interval processing estimated correct registration for billing purposes shall be. b if available, or otherwise upon the best obtainable data.

shall be owned, operated and AP's fenced enclosure of AP's

5.3 AP's Metering *and* related equipment shall be as follows: s 138 kV transmission system shall ve power and energy flow. Metering on Point, unless otherwise

(a) The Project shall have interconnection metering facilities installed to pro bi- lines directly connected to AP's directional net real and reactive power and energy output. Meters s (MIP) an d reactive power and energy flow. capability. The metering instrument transformers used to measur installed on to the primary voltage side of the or compensated to the Interconnection Point. Such mete maintained by AP at es AP shall own and maintain, at GENERATOR's expense and shall be located wi Interconnection Facilities.

(b) All plant auxiliary power transformers

and lines directly connected to AP' have metering facilities installed to provide bi-directional real and reacti instrument transformers shall be connected to or compensated to the Inte agreed to by the Parties. All plant auxiliary power transformers and distribution system shall have metering facilities installed to *provide* real Metering instrument transformers shall be connected to or compensated distribution step down transformer, unless otherwise agreed to by the Parti GENERATOR's expense, such metering devices.

(c) GENERATOR shall supply a voice-grade phone circuit dedicated to rem AP's Operations Center.

(d) All metering instrument transformers installed must be strictly in accor with the latest version of IEEE e a Standard C57.13 and., if applicable, ANSI Standard C93. 1. AP shall req on 0.3 percent accuracy or better all instrument transformers and meters.

{e) The metering devices shall be sealed. AP shall give or cause to be gi **to GENERATOR** access to the metering devices at any reasonable time upon reasonable notice. The s shall be broken by AP only when the metering devices are to be inspected, tested or adjusted pursuant to the that Agreement, provided, however, GENERATOR shall receive prior notice thereof and shall have the ri ght to be present.

5.4 (a) AP shall, at GENERATOR's expense, maintain real-time eommunicati equipment, that in any form, or configuration shall be known as a Remote Terminal Unit (" RTU") of which ere may be more than one at the Project to send generation data to and receive data from AP Operations 's Energy Management System computer, as reasonably required by **AP. GENERATOR** shall at its expense shall such equipment. Such data include, but not be limited to, normal operations, control of circuit b and status and alarms of equipment watts, vars, amperes, and voltage

(b) Remote data acquisition of the Project's meters shall be performed at an RTU by Operations Center's Energy Management System computer ERATOR's expense by polling of determined by AP. The data collected shall include the bi-directional megavars and at a scan rate to be reasonably bi-directional accumulated megawatt hours and megavar Project, and for each generating unit of the such other data as may be specified by AP. AP may adopt security of the metering facilities and data. AP will upon **GENERATOR'** and all such h measures. as are necessary for data to **GENERATOR** for any period of time over which AP request and expense, provide any y retain such data.

(c) In order for GENERATOR to provide automatic dispatch mode specified Center's Energy Management System computer, GENERATOR shall p points for each unit:

Input Analog Points
High Limit Low Limit
Rate of Response
Net MVAR at Interconnection Point out
Net MW at Interconnection Point out

Output Analog Point
Unit MW Desired Set point

Input-Status Points
Unit **Online/OBline**
Unit On/Off AGC Control Unit at Max
Unit at Min
Unit Control Blocking

In the event **GENERATOR** elects to run in the manual dispatch shall provide at its expense the following points for each unit:

Input Analog Points
Rate of Response
Net MVAR at Interconnection Point out Net
MW at Interconnection Point out

Input-Status Points
Unit Online/Offline
Unit at Max Unit at
Min

(d) GENERATOR shsil install at its expense fiber optic or other mutuall agreed upon communication and termination equipment as required by AP for the interconnection of the Proj its ect. AP will install and maintain at tro 1 capability for AP to perform its expense an Energy Management System having data acquisition and con ement System to accommodate automatic or manual dispatch role. Any enhancement to the AP Energy GENERATOR will be at GENERATOR's expense.

ARTICLE 6 Relaying

6.1 AP shall have the right, using Good Utility Practice, to review and approve all equipment, new protective relaying logic including equipment settings, drawings, and functionality associated to review all with the Interconnection Point, and protective relaying logic equipment, including equipment settings, Project. wings;. and functionality for the

6.2 As AP system protection requirements change and as system protection technol gy advances, AP will upgrade, at GENERATOR's expense, AP's Interconnection Facilities in accordance wi Good Utility Practice. If these upgrades affect the serviceability and acceptability of the protective reia systems on the GENERATOR's Interconnection Facilities, GENERATOR agrees to upgrade;. at its expense, its them into rotective relaying systems to bring compatibility with and to the same technological standards as those ed by AP.

6.3 *GENERATOR shall provide the* necessary space to install or expand relay pane for substation system protection as reasonably requested by AP.

Article 7 Initial Construction and **Testing of Interconnection Facilities**

7.1 Review, Approval and Inspection of GENERATOR's Facilities

(a) The design and construction of GENERATOR's Interconnection F 'ties (including the design and specifications for the protective equipment and all modifications to the GENE and all TOR's Interconnection Facilities, electrical drawings and one-line diagrams relating thereto) shall be su AP. As ect to the review and approval of soon as practical, GENERATOR shalll provide AP with all designs, pecifications and drawings as they relate to the GENERATOR's Interconnection Facilities (collectively, the "D s"). The Drawings will be of good engineering quality and shall include but not be limited to the following:

(i) One line diagram showing the connections between the Project and th
(ii) Three-line diagrams showing current and potential circuits for protec ve relays; (iii) Relay tripping and control schematic diagram; and (iv) Instruction books for system protection elements.

(b) AP shall provide GENERATOR with written notice of its approval of such Drawings or a detailed description of any objections thereto with specific actions that GENERATOR may take to satisfy AP's objections, which approval shall not unreasonably be withheld. GENERATOR shall take appropriate action to correct any such objections and resubmit the Drawings for AP's review in accordance with the first sentence of this Article 7.1(b). GENERATOR shall construct the GENERATOR's Interconnection Facilities in accordance with the Drawings provided to and approved by AP.

(c) Before the Project is interconnected with the AP System, GENERATOR shall provide AP with reasonable notice and opportunity to inspect and test GENERATOR's Interconnection Facilities. This inspection and testing may include, but need not be limited to:

(i) the acceptance testing of all protective equipment according to AP minimum requirements; (ii) the placement of in-service relay taps according to settings;

(iii) the operability of the protective equipment; and

(iv) the phasing and synchronizing checks of all related equipment.

(d) GENERATOR shall provide AP with written notice when it believes that the GENERATOR's Interconnection Facilities and the Project are completed. AP shall inspect the GENERATOR': Interconnection Facilities and AP shall provide written approval or notice of defects or failure to comply with thii Agreement. GENERATOR shall take appropriate actions to correct any such defects or failure and shall obtain AP's inspection and approval of the corrections, which approval shall not unreasonably be withheld.

(e) Final approval by AP of the Drawings and GENERATOR's. Interconnection Facilities is. required before parallel operation may begin. AP shall have the right to reasonable notice of, and to be present for, the initial paralleling. Any AP approval under this Article 7, which shall not be unreasonably withheld or delayed, shall not be valid unless in writing.

(f) AP's approvals under this Article 7.1 and any other approval or inspectio i by AP hereunder with respect to the Project or GENERATOR's Interconnection Facilities are limited to the purpose of ensuring the safety, reliability, security, protection and control of the Transmission System and shah'. not be construed as confirming or endorsing the Drawings or the design or any other aspect of any protective equipment, GENERATOR's Interconnection Facilities or the Project, or as a warranty or guarantee of any type, including as to safety, durability or reliability thereof AP's review or approval of, or comments on, any document provided by GENERATOR shall not relieve GENERATOR of its responsibility for the correctness or adequacy of the document or work to be performed. Each Party shall be responsible for drawing updates and corrections to their respective drawings and shall provide copies to the other Party as soon as possible thereafter.

7.2 Start-up and Testing Program

(a) At the request of a Party, the other Party shall submit a report to the requesting Party regarding progress of the installation of such other Party's Interconnection Facilities and other facilite to be constructed by such Party in connection therewith. Both Parties acknowledge the importance of ongoing communication and discussion with respect to the matters covered by this Agreement, and both Parties will coordinate their respective activities and meet or otherwise communicate on. a regular basis to anticipate and resolve problems related to the respective obligations of GENERATOR and AP in connection with the design, installation and testing. of the Interconnection Facilities.

(b) AP and GENERATOR shall cooperate with each other and coordinate c.3mpletion of their respective work under this Agreement to support the interface and testing of the Interconnection Facilities and the interconnection of the Project with the Transmission System by the Targeted Interconnection Com-7letion Date. Prior to execution of this Agreement, the Parties shall develop a start-up and testing program for the Interconnection Facilities to demonstrate the compliance of the GENERATOR's Interconnection Facilities and AP's Interconnection Facilities

with the requirements of this Agreement. AP shall also test the reactive capabity of the Project. Such start-up and testing programs shall be incorporated into this Agreement as Exhibit **F.**

ARTICLE 8 New Construction and Modifications

8.1 GENERATOR shall not make modifications to, or new construction of facilities, or access thereto; including but not limited to rights-of way, fences, and gates except for routine maintenance without (a) prior written notification and consent by AP as set forth in this Article 8, which consent shall not be unreasonably withheld or delayed, and (b) providing AP with sufficient information regarding the work prior to commencement to enable AP to evaluate the impact of the proposed work on its operations. The information provided must be of sufficient detail to satisfy AP review of operational requirements. In implementing any AP approved modifications, **GENERATOR** shall use reasonable efforts to minimize any adverse impact on AP. In the event AP intends to make modifications to the electrical system which will impose an outage on the Project, AP shall provide **GENERATOR** with sufficient information regarding the work prior to commencement to enable **GENERATOR** to evaluate the impact of the proposed work on its operations. Any information provided hereunder muse be of sufficient detail to satisfy GENERATOR review of operational requirements. AP shall use reasonable efforts to minimize any adverse impact on **GENERATOR**

8.2 For new generation installations or modifications by **GENERATOR** at the Project site, GENERATOR shall furnish, install and maintain equipment at the Project necessary to establish and maintain synchronism with AP's Transmission System consistent with Applicable Law and Regulations and Gooe. Utility Practice. If said modifications involve a proposed new or materially changed Interconnection Point, a change *in the* generating capacity of the Project, or the addition of a new generating unit(s), GENERATOR shall submit an application in accordance with AP's procedures applicable to new interconnections to the Transmission System.

Within thirty (3(1) days following completion of any modification or construction subject to this Article 8, GENERATOR shall provide "as built" drawings, plans and related technical data to AP. Approval or review of any document referenced herein shall not relieve GENERATOR of its responsibility for the design or construction of any proposed facility, nor shall it subject AP to any liability.

8.4 Each Party shall, at its own expense, have the right to inspector observe all maintenance activities, equipment tests, installation work, construction work and modification work to the facilities of the other Party that could have a material effect upon the facilities or operations of the first Party.

8.5 Unless otherwise required by Applicable Laws and Regulations, OATT, other applicable AP tariffs, Good Utility Practice, *or this Agreement, neither Party* shall be required at any time to ipgrade or otherwise modify their respective facilities or equipment.

8.6 Neither Party shall make changes to the site topography or accesses, incluhtg but not limited to grading or drainage, that could reasonably be expected to have a material adverse effect upon the other Party's facilities or common use drainage or pollution controls systems without the prior written consent of the other Party, such consent not to be unreasonably *withheld or* delayed.

ARTICLE 9 Notifications and Reporting

9.1 In order to continue connection of the Project, each Party shall promptly providr *the.* other Party with all relevant information, documents, or data regarding *the* Project and *the* Transmission Sys'zm that would be expected to *affect the* Transmission System or *the* Project, and which is reasonably requesteL by NERC, ECAR, or any Governmental Authority. Each Party will *protect to the* extent *possible* given the rules and regulations of the noted requesters *the* confidentiality of the other Party's data as. envisioned in Article 2-..

9.2 **Each Party agrees to *immediately*** notify the other Party, verbally and then in anticipated labor dispute of which its management hac actual knowledge that mi

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the *operations of the other* Party with respect to this

brig, of any labor dispute or reasonably be expected to affect

the Project. GENERATOR at its ce.

of any hazardous substance on its ties or operations of, the other

The Notifying Party shall follow . urs The Notifying Party shall be all notification, reports or filings associated with performing any required by Environmental Laws. in emergency situations, in. which ble. but no later than five business ergency situations, such remediation owning the affected property or on of site plans, reports or filings ntr of and Countermeasures (SPCC) ry agency of competent jurisdiction.

or facilities, which may migrate notify the other Party as set forth in e vent, except that all responsibility notification, reports **or *filings*** to **perty or** facilities the ha rardous

Agreement ARTICLE 10 Environmental Compliance and Procedures

10.1 GENERATOR shall meet all necessary environmental requirements applicable own expense shall apply for all such licenses or permits needed for such compli

10.2 Each Party shall verbally notify the other Party, immediately upon discovery property or facilities, which may migrate to, or adversely impact the property, Party. The Party obligated to provide such notification is the `Notifying Party' its verbal notification with written notification within twenty-four (24) ho responsible for performing any remediation or abatement activity and submi required by Environmental Laws. The **Notifying Party *shall* also assume all remediation or** abatement activity and submitting notification, reports or Advance written notification of all renediation and abatement activity (except verbal, followed by written notification, shall be provided as soon as practica days) shall be provided by the Notifying Party to the other Party. Except in em or abatement activity shall be performed only with the consent of the P facilities. The Parties agree to coordinate, to the extent necessary, the pr required by law or regulation, including but not limited to Spill Prevention, Co and Stormwater Pollution Prevention Plans (SWPPP) required by any regulato

~0.3 Should either Party discover any hazardous substance on the other Party's pr to, or adversely impact either Party's property, facilities or operations, it shall Section 10.2

cement during the preceding nth. Each invoice shall delineate the such supporting documentation as a d within fifteen (15) days of the e to the other Party, or by wire es slv required by this Agreement to

Rate in effect at the time such due date of the bill to the date of been paid on the date of receipt by s remedies under Article 18 of this

hereof. The provisions of Section 10.2 hereof shall apply in such for and all costs associated with remediation or abatement activity and subnu required by Environmental Laws shall be borne by *the* Party upon whose p substance is discovered.

ARTICLE 11 Billings and Payment

11.1 Any invoices for reimbursable services provided to the other Party under this month shall be prepared within a reasonable time after the first day of each mo month *in which* the services were provided and shall be accompanied by reasonably necessary to substantiate the invoiced amount. The invoice shall be p invoice *date.* All payments shall be made in immediately available funds pa transfer to a bank named by the Party being paid, provided that payments expr be mailed shall be mailed in accordance with. Article 24.

11.2 The rate of interest on any amount not paid when due shall be equal to the amount became due. Interest on delinquent amounts shall be calculated from payment. When payments are made by mail, bills shall be considered as having the other Party. Nothing contained in this Article is intended to limit either P Agreement.

11.3 Payment of an invoice shall not relieve the paying Party from any responsibili *es or obligations it has under this Agreement, nor shall such payment constitute a waiver of any claims arising her under.

Q1.4

If all or part of any bill is disputed by a Party, *that* Party shall promptly pay e amount that is not disputed and provide the other Party a reasonably detailed written explanation of the basis for the Dispute pursuant to Article 22. Upon resolution of the Dispute, the prevailing. Party shall be entitled to recei e the disputed amount, as finally determined to be payable, along with interest accrued at the Interest hate thr gh the date on which payment is made, within ten (10) business days of such resolution.

11.5 For a period of two (2) years following a calendar year, during normal business ours, GENERATOR and AP shall have the right to audit each other's accounts and records pertaining to trans ctions under this Agreement that occurred during such calendar year at *the* offices where such accounts and reco are maintained; provided that the audit shall be limited to those portions of such accounts and records that reaso bly relate to the services provided to the other Party under this Agreement for said calendar year. The Party be audited shall be entitled to review the audit report and any supporting materials. To the extent that audited. information includes Confidential ***Information,* the auditing Party shall** keep all such information confidential pur to Article 23 hereof.

11.6 To further secure the fall and faithful performance of all obligations of G TOR hereunder, AP shall have the right from time to time (and as often as AP may deem necessary) to req ire GENERATOR to provide maintain in effect during the term of this Agreement a ond, an unconditional, irrevocable performance/payment and evergreen letter of credit or cash collateral, as s responsibilities and obligations security to meet GENERAT under this Agreement. In connection with dition to GENERATOR hereby providing such collateral (and in granting a security interest to AP in and to such right to require GENERATOR to collateral), AP shall have *the* execute and deliver a security agreement pledging unity agreement shall be in form such collateral to AP, which and substance satisfactory to AP, in AP's sole *GENERATOR* secured by such discretion. The obligations o ***collateral shall** include, without* limitation, paymentss n with the construction of the required in connects Interconnection Facilities and. tax liability as specified in I as the on-going obligations of Exhibit C,. as w GENERATOR. in connection with this Agreement. Such ory to AP, in its sole discretion, collateral shad be *as to both form* and substance. Should such collateral be in the o r letter of credit, AP shall have the form of a bond right to approve the financial strength of the issuer or surety. ma y also provide an alternative form retion and consistent with good

pe rformance. Upon a default by GENERATOR of security proposed by GENERATOR acceptable to AP, in p rovided in this Agreement (and in AP's sole commercial practices protecting AP against the risk of non-payment to utilize and realize upon such or nonGENERATOR hereunder that remains uncured beyond the express cure ral be reduced because AP has period addition to all remedies available to AP hereunder), AP shall have the collateral for payment (in whole or in part) of sums owned to AP. Should RATOR to restore or increase *the co* utilized or realized upon such collateral, AP shall have the right to require G such collateral upon demand, and failuree to so restore or increase the collate upon demand shall be deemed a default under this Agreement.

ARTICLE 12 Applicable Regulations and Interpretation

12.1 Each Party's performance under this Agreement is subject to the condition all requisite governmental and regulatory acceptances for such performance are obtained. In the event this Agreement is not accepted in its entirety, the Parties can terminate this Agreement in accordance with Article 9. Each Party shall exercise Due Diligence and shall act in good faith to secure all appropriate acceptance.

FERC filing costs, any other governmental and regulatory filings costs and co associated with filing are to be paid by GENERATOR

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12.3 This Agreement is made subject to state or federal laws, regulations, or orders properly issued *by* state or federal bodies having jurisdiction. This Agreement shall be interpreted pursuant to the laws of the Commonwealth of Pennsylvania, the Federal Power Act, and the regulations of any regulatory agency or agencies having jurisdiction over the particular matter.

ARTICLE 13 Force Majeure

13.1 Neither Party shall be considered in default under this Agreement or responsible to the other Party whether in tort, strict liability, contract or other legal theory for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service or any other failure to perform any of its obligations hereunder to the extent such failure **occurs** *without fault or negligence on* **the part** of that Party and is caused by factors beyond that Party's reasonable control, which by the exercise of Due Diligence in accordance with Good Utility Practice, that Party is unable to prevent, avoid, mitigate or overcome, including without limitation storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, act of God or the public enemy, action or inaction of a court or public authority or any other cause of similar nature beyond the reasonable control of that Party (any such event is a "Force Majeure"). Economic hardship. of either Party shall not constitute Force Majeure under this Agreement, nor shall anything contained in this paragraph or elsewhere in this, Agreement excuse **GENERATOR** or AP from strict compliance with the obligation of the Parties to comply with the terms of Article 11 of this Agreement relating to timely payments.

13.2 Each Party shall have the obligation to operate in accordance with Good Utility Practice at all times and to use Due Diligence to overcome and remove any cause of failure to perform.

13.3 If a Party relies on the occurrence of an event or condition described above as a basis for being excused from performance of its obligation under this Agreement, then the Party relying oa the event or condition shall: (i) provide prompt written notice of such Force Majeure event to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) exercise all reasonable *efforts* to continue to perform its obligations, under this Agreement; (iii) expeditiously take action to correct or cure the event or condition excusing performance; provided, however, that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute; (iv) exercise all reasonable *efforts to* mitigate or limit damages to the other Party; and (v) provide prompt notice to the other Party of the cessation of the event or condition giving rise to its excuse from perforixance. All performance obligations hereunder shall be extended by a period equal to the period of inability to perform caused by such Force Majeure event.

13.4 If a Party responding to a Force Majeure event has the ability to obtain, for additional expenditures, expedited material deliveries or labor production which would allow a response to the event in a manner that is above and beyond Good Utility Practice, such a response could shorten the duration of the ;vent, and a shorter duration of the event could lessen the economic hardship of the other Party, the Party responding to the event may, at its discretion, present the other Party with the option of funding the expenditures for expediting material deliveries or labor production in an effort to reduce the duration of the event and economic hardship. Each such opportunity will be negotiated on a case-by-case basis by the Parties.

ARTICLE 14 Liability

14.1 Except to the extent of the other Party's negligence or willful misconduct o subcontractors, Representatives or invitees, each Party shall be responsible for of, or

any personal injury or death associated with, the property, equipment an
• who brings the claim and regardless of who caused the damage, and shall from the other Party for such damage; but in any such case AP and GENE remove the cause of any disability at the earliest practicable time.

14.2 To the fullest extent permitted by law and notwithstanding other provisions of
• any of its respective officers, directors, employees, agents, successors or whether in contract,. warranty, tart, negligence, strict liability, or otherwis multiple,

consequential (including, without limitation, replacement power cost
business opportunities), or punitive damages, related to or resulting from Agreement or any activity associated with or arising out of this Agreement.

14.3 To the fullest extent permitted by law *and* notwithstanding, other provisions o GENERATOR, or any of its respective officers, directors, employees, agents, s whether in contract, warranty, tort, negligence, strict liability, or otherwi multiple, consequential (including, without limitation, replacement power c
business opportunities),. or punitive *damages,* related to or resulting from

ARTICLE 15 **Indemnification**

Agreement or any activity associated with or arising out of this Agreement.

15.2 14.4 The provisions of this Article 14 shall survive termination, cancellation, susp this Agreement.

15.1 GENERATOR's Indemnification. Subject to the provisions of Articles 14.1, 14. indemnify, hold harmless and defend AP, its parent and its and their succes shareholders, agents, contractors, subcontractors, and invitees, from and ag obligations, payments, liabilities, costs,, losses, judgments, damages and e and expenses. of any and all actions, suits, proceedings, assessments,. judgm
relating thereto, reasonable attorneys` and expert fees and reasonable dis damage to property, injury to or death of any person, including AP's employ caused by any act or omission, negligent or otherwise, by GENERATOR or i agents, contractors, subcontractors and invitees arising out of or connected wi breach of this Agreement, or the exercise by GENERATOR of its rights hereun
indemnification and not by way of limitation thereof,. GENERATOR hereby
have nm er applicable workers' compensation laws.

AP's Indemnification. Subject to the provisions of Articles 14.1, 14.2 and 14.3, and defend GENERATOR, its parent and its and their successors, *officers,* agents, contractors, subcontractors, and invitees, from and against any and all payments, liabilities, costs, losses, judgments, damages and expenses (inclu
of any and all actions, suits, proceedings, assessments, judgments, settlements **reasonable *attorneys'* and** expert fees and reasonable disbursements in property, injury to or death of any person, including GENERATOR's employee caused by any act or omission, negligent or otherwise, by AP or its offi contractors,

its employees, agents, contractors,
physical damage to or destruction
or facilities owned by it, regardless
seek recovery or reimbursement
OR will exercise Due Diligence to

this Agreement, in no event shall AP,
assigns be liable to GENERATOR,
• for special, indirect, incidental,
• lost profits or revenues, and lost
any act or failure to act under this

this Agreement, in no event shall
successors or assigns be liable to
• for special, indirect, incidental,
• lost profits ofits or revenues, and
any lost y act or failure to act under

ion, completion or expiration of

2, and 14.3, GENERATOR shall
so rs, officers, directors, employees,
any and all claims, demands, suits,
s (including the reasonable costs
settlements, and compromises
in connection *therewith) with*

or any third parties, to *the* extent
ts officers, directors, employees,
th GENERATOR'S performance or r.
de In furtherance of the foregoing
waives any defensee it otherwise might

AP shall indemnify, hold harmless
ctors, employees, shareholders,
claims, demands, suits, obligations,
the reasonable costs and expenses
and compromises relating thereto
Lion*therewith)* with damage to
s, or any third parties, to *the* extent
ders, directors, employees, agents,
AP's performance or breach of this
regoing indemnification and not by

subcontractors and invitees arising out of or connected with Agreement, or the exercise by AP of its rights hereunder. In furtherance of the f

way of limitation thereof AP hereby waives any defense it otherwise might have under applicable workers' compensation laws.

5.3 Indemnification Procedures. Any Party seeking indemnification under this Agreement shall give the other Party notice of such claim promptly. Such notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the claim that has been, or may be sustained by, said Party. Neither Party may settle or compromise any claim for which indemnification is sought under this Agreement without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.

ARTICLE 16 Insurance

16.1 GENERATOR agrees to maintain at its own cost and expense, fire, liability, worker's compensation, and other forms of insurance relating to its property and facilities in the manner, and amounts, and for the duration set forth in Exhibit 2 to this Agreement, as both Parties may, from time-to-time, agree to amend. AP may require GENERATOR to **maintain** coverage for five. years on all policies written on a "claims made" basis.

16.2 Every contract of insurance providing the coverage required in Exhibit B shall include provisions or endorsements (i) stating that such insurance is primary insurance with respect to the interest of AP and that any insurance maintained by AP is excess and not contributory insurance required hereunder, and (ii) providing that no reduction, cancellation or expiration of the policy shall be effective until ninety (90) days from the date written notice thereof is actually received by AP. Upon GENERATOR's receipt of any notice of reduction, cancellation or expiration, GENERATOR shall immediately provide written notice thereof to AP.

AP shall be named as additional insured on the general liability insurance policies of the GENERATOR set forth in Exhibit B as their interests may appear with respect to this Agreement.

16.3 At least fifteen days prior to the Targeted Interconnection Completion Date, GENERATOR shall provide to AP, and shall continue to provide to AP at least fifteen (15) days prior to each anniversary of the Target Interconnection Completion Date thereafter, properly executed and current certificates of insurance with respect to all insurance policies required to be maintained by GENERATOR under this Agreement. Certificates of insurance shall provide the following information:

16.4 (ii) The coverage required and the limits on each, including the amount of deductibles or self-insured retention, which shall be for the account of the Party maintaining

(i) Name of insurance company, policy number and expiration date.

such policy.

(iii) A statement indicating that AP shall receive at least thirty (30) days prior written notice of cancellation or expiration of a policy, or reduction of liability limits with respect to a policy, and

(iv) A statement indicating that AP has been named as additional insured.

116.5 At AP's request, in addition to the foregoing certifications, GENERATOR **shall** deliver to AP a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company. 6.6 AP shall have the right to inspect the original policies of insurance applicable to this Agreement at GENERATOR's place of business during regular business hours.

ARTICLE 17 Several Obligations

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in *this* Agreement shall ever be construed to create an association, trust, partnership, or joint venture or to impose a trust or partnership duty, obligation or liability or agency relationship on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE 18 Remedies

18.1 In the event that either Party (the "Delinquent Party") fails to make full payment of the undisputed portion of any invoice rendered under this Agreement on or before the due date, the other Party (the "Non-Delinquent Party") shall give the Delinquent Party notice in writing of such delinquency, and the Delinquent Party will have thirty (30) business days from the date of its receipt of such written ,notice to cure such delinquency. In the event the Delinquent Party fails to make full payment *of* the delinquent amount (including interest accrued at *the Interest* Rate) within such 30 calendar day period, *the* Delinquent Party will be in default.

18.2 If *either* Patty fails to fulfill its payment obligations under this Agreement (in such event, a "Defaulting Party") following thirty (30) calendar days prior written notice to the Defaulting Party, the Defaulting Party shall be deemed in default and the Non-Defaulting Party may immediately terminate this Agreement. If the Defaulting Party fails to fulfill any other obligation following thirty (30) calendar days prior written notice (which specifies the nature of such default in reasonable detail) to the Defaulting Party (except in. cases of emergency in which case only such notice is required as shall be reasonably practicable under the circumstances), the Non Defaulting Party may terminate this Agreement if this obligation remains unremedied after such thirty (30) day period unless the Defaulting Party is diligently pursuing the cure of such default, provided, however, that in no event shall such the cure period extend beyond 120 days of the default

18.3 AP may disconnect the Project from Transmission System if the GENERATOR fails to meet its obligations set forth in this Agreement. Except as described in Article 4.3 prior to such disconnection AP shall provide written notice to GENERATOR detailing GENERATOR's failure to adhere to such requirements and provide GENERATOR thirty (30) calendar days to correct such deficiency. AP shall not disconnect the Project if GENERATOR corrects. the deficiencies described in the written notice within thirty (30) calendar days or a mutually agreed upon period. AP reserves the right to terminate this Agreement if AP disconnects the Project under this Article 1.8.3.

18.4 The enumeration of the foregoing remedies shall not be deemed to be a waiver of any other remedies at law or in equity to which. the Non-Delinquent Party or the Non-Defaulting Party is legally entitled.

ARTICLE 19 Term and Termination

This Agreement shall become effective as of the date first above written, and shall continue in full force and effect as long as the Project is. interconnected to AP's Transmission System, unless modified by written agreement of the Parties (such period, the "Term").

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19.3 The applicable provisions of this Agreement shall continue in effect after cancellation or termination hereof to the extent necessary to provide for'final billings, billing adjustments and payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

19.4 This Agreement can be terminated by either Party with written notice pursuant to Article 24, in *the* event:

a) FERC does not accept this Agreement in its entirety, or b) Pursuant to Article 18, or
c) Pursuant to Article 2.1, or
d) Termination is mutually agreed upon by both Parties.

19.5 After termination of this Agreement, AP shall have no obligation under this Agreement to remain interconnected with the Project. Any subsequent reconnection of the Project to Transmission System shall be governed by the laws and regulations governing electric utility interconnection at *that time,*

ARTICLE 20 Assignment

Except as expressly provided in this Article 20, neither Party shall assign, pledge, hypothecate, dispose of or otherwise transfer (by operation of law, expressly or otherwise) this Agreement or its rightss hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Upon any assignment made in compliance with this Article 20 but subject to the provisions of Section 20.4 of this Agreement, this Agreement shall inure to and be binding upon the successors and assigns (and their Affiliates, as set forth in this Agreement and as to Articles 14, 15 and 21 hereof) of the assigning Party. In determining whether to provide consent to GENERATOR in connection with any assignment (or in the case of assignments or transfers by GENERATOR not requiring the consent of AP), AP shall have the right to invoke the provisions of Article 11.6 and receive the collateral provided for in that Article.

20.2 Without the consent of **GENERATOR** (and without relieving AP from liability and obligations hereunder), (1) AP may assign this Agreement to its lenders for the purposes of collateral security without the written consent of the GENERATOR, and the GENERATOR agrees to cooperate with any such lenders in connection with such an assignment, including without limitation executing. a customary consent to assignment requested from the GENERATOR by such lenders. (2) AP may assign its. **rights** and obligations under the Agreement to a regional transmission organization or similar entity approved by FERC to operate the Transmission System, provided that the act of doing so shall constitute a unilateral act before FERC on AP's part and therefore subject to all of the provisions of Article 24.2. In addition, AP may, without the need for consent from the GENERATOR (and without relieving itself from liability and obligations hereunder), (a) transfer, pledge or assign this Agreement as security for any financing with financial institutions, (b) transfer or assign this Agreement to an Affiliate of such Party provided that such assignee has substantially equivalent financial capability to the assignor; or (c) transfer or assign this Agreement to any Person or entity succeeding to all or substantially all of the assets of AP;

-0.3 Without the consent of AP (and without relieving GENERATOR from liability and obligations hereunder), GENERATOR may assign, transfer, pledge or otherwise dispose of its rights and interests hereunder to any Lender for the purposes of financing or r-en...eing the Project, including upon or pursuant to the exercise of remedies under the financing documents, or by way of assignments, transfe s, conveyances or dispositions in lieu thereof. AP agrees to cooperate with any such lenders in connection with such an assignment, including without limitation executing a customary consent to assignment requested from AP by such lenders, so long as AP's rights under this Agreement are not thereby materially altered, amended, diminished or otherwise impaired, provided however, AP agrees, that it will provide notice to Lenders of any material breach under this Agreement and will provide Lenders with the same cure period provided to GENERATOR pursuant to Article 18 in which to cure a default by GENERATOR under this Agreement. In addition, GENERATOR may, without the need for consent from AP (and without relieving itself from liability and obligations hereunder), (a) transfer or assign this Agreement to an Affiliate of such Party provided that such assignee has substantially equivalent financial capability to the assignor; or (b) transfer or assign this Agreement to any Person or entity succeeding to all or substantially all of the assets of GENERATOR or its permitted assignees (which must include the **Project).**

20.4 . No assignment or *transfer of* rights or obligations under this Agreement *(whether* requiring consent or otherwise) by AP shall relieve AP from full liability and financial responsibility for the performance thereof after any such transfer or assignment. No assignment or transfer of rights or obligations under this Agreement (whether requiring consent or otherwise) by GENERATOR shall relieve GENERATOR from full liability and financial responsibility for the performance thereof after any such transfer or assignment.

ARTICLE 21 Subcontractors

Q1.1 Nothing in this Agreement shall prevent the Parties from utilizing the services of subcontractors as they deem appropriate, including to operate the Project; provided, however, the Parties agree that, where applicable,. all said subcontractors shall comply with the terms and conditions of this Agreement.

21.2 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts and/or omissions of any subcontractor it hires as if no subcontract had been made. Any obligation imposed by this Agreement upon the Parties, where applicable, shall be equally binding upon and shall be construed as having application to any subcontractor.

21.3 Each Party **shall** be liable for, indemnify, and hold harmless the other Party, its officers, directors, employees, agents, servants and assigns from and against any and all claims, demands, or actions from the first-mentioned Party's subcontractors, and shall pay all costs, expenses and legal fees associated therewith and all judgments, decrees and awards rendered therein.

21.4 No subcontractor is intended to be or shall be deemed a third-party beneficiary of this Agreement.

21.5 To the extent of the responsibility and liability GENERATOR has agreed to assume in Article 14 above, and to the fullest extent permitted by law, GENERATOR shall require its subcontractors to indemnify and hold harmless and defend AP, its parent and its. respective officers, directors, employees, agents and. assigns from and against any and all claims and/or liability for damage to property, injury to or death of any person, including AP's employees, GENERATOR's employees, or any other liability incurred by AP or its parent including all expenses, legal or otherwise, to the extent caused by any act or omission, negligent or otherwise, by said subcontractor and/or its officers, directors, employees, agents and assigns arising out of or connected with the operation of AP or GENERATOR's facilities, equipment and property described in this Agreement, regardless of whether caused in part by a Party indemnified hereunder.

21.6 To the extent of the responsibility and liability AP has agreed to assume in Article 14 above, and to the fullest extent permitted by law, AP shall require its subcontractors to indemnify and hold harmless and defend GENERATOR, its parent and its respective officers, directors, employees, agents and assigns from and against any and all claims and/or liability for damage to property, injury to or death of any person, including. AP's employees, GENERATOR's employees, or any other liability incurred by GENERATOR or its parent includingg all expenses, legal or otherwise, to the extent caused by any act or omission, negligent or otherwise, by said subcontractor and/or its officers, directors, employees, agents and assigns arising out of or connected with the operation of AP's or GENERATOR's facilities, equipment and property described in this Agreement, regardless of whether caused in part by a Party indemnified hereunder.

21.7 The obligations under this Article 21 shall not be limited in any way by any limitation on subcontractor's insurance.

21.8 Each Party shall require its subcontractors to comply with all federal and state laws regarciinn insurance requirements and shall maintain standard and ordinary insurance coverage.

ARTICLE 22 Dispute Resolution

2.1 Any claim or dispute which either Party may have against *the* other arising *but* of or relating to this Agreement or *the* breach, termination or validity thereof (any such claim or dispute, a "Dispute") shall be submitted in writing to the other Party. The submission of any Dispute shall include a concise statement of *the* question or issue in dispute, together with a statement listing the relevant facts and documentation *that* ***support*** the claim.

If any Dispute arising hereunder is not resolved within thirty (30) days after notice thereof to the other Party, either Party may demand in writing the submission of the Dispute to binding arbitration in Pittsburgh, PA except as provided in Section 22.3. Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties within thirty (30) days of receipt by respondent of the demand for arbitration. If the Parties are unable to agree on an arbitrator, such arbitrator shall be appointed by the American Arbitration Association. Unless the Parties agree otherwise, the arbitrator shall be an attorney or retired judge with at least fifteen (15) years of experience, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration. If possible, the arbitrator shall have experience in the electric utility industry. Unless otherwise agreed, the arbitration shall be conducted in accordance with the American n Arbitration Association's Commercial Arbitration Rules then in effect. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration agreement shall be governed by the Federal Arbitration Act of the United States, 9 U.S. C. § § 1 *et seq.*

22.2 The arbitration shall, if possible, be concluded not later than six (6) months after the date that it is initiated. The arbitrator shall be authorized only to interpret and apply the provisions of this Agreement or any related agreements entered into under this. Agreement and shall have no power to modify or change any of the above in any manner. The arbitrator shall have no authority to award punitive or multiple damages or any damages inconsistent with this Agreement. The arbitrator shall within thirty (30) days of the conclusion of *the* hearing, unless such time is extended by agreement of all Parties, notify the Parties in writingg of his or her decision, stating. his or her reasons for such decision and separately listing his or her findings of fact. and conclusions of law.. The decision of the arbitrator rendered in such a proceeding shall be final and binding on the Parties. Judgment on the award may be entered upon it in .any court having jurisdiction.

22.3 Nothing in this Agreement shall preclude,-or be construed to preclude, any Party from filing a petition or complaint with FERC with respect to any arbitrable claim over which FERC has jurisdiction. In such case, the other Party may request FERC to reject or to waive jurisdiction.. If FERC rejects or waives jurisdiction with respect to all or a portion of the claim, the portion of the claim not so accepted by FERC shall be resolved through arbitration, as provided in this Agreement. To the extent *that FERC* asserts or accepts jurisdiction over the claim, the decision, fnding of fact or order of FERC shall be **final** and binding, subject to judicial review under the Federal Power Act, and any arbitration proceedings that may have commenced with respect *to the* claim prior to the assertion or acceptance of jurisdiction by FERC shall be terminated.

ARTICLE 23 Confidentiality

23.1 Certain information provided by each Party (the "Disclosing Party") to the other Party (the "Receiving Party") pursuant to the provisions of this Agreement may be considered confidential and/or proprietary ("Confidential Information"). To be considered confidential, such information must be clearly marked "Confidential Information" If disclosed orally, such information shall be clearly identified as confidential and such status shall be promptly thereafter confirmed in writing.

The Receiving Party agrees not to disclose Confidential Information to any third party not a Representative of the Receiving Party absent advance written consent of the Disclosing Party, except as may be necessary to enforce the terms of this Agreement, provided *that the* Receiving. Partyy uses reasonable efforts to maintain the confidentiality of such information in any proceeding or suit to enforce this Agreement. The Receiving Party further agrees that, with

23.2

respect to Confidential Information, it shall (a) restrict disclosure of Confidential Information solely to its Representatives on a need- to-know basis; and (b) advise those Representatives of their obligations with respect to the Confidential Information.

23.3 Confidential Information shall not be deemed to include information which:

(a) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party;

(b) was available to the Receiving Party on a non confidential basis prior to its disclosure by the Disclosing Party; or

(c) becomes available to the Receiving Party on a non-confidential basis from a person other than the Disclosing Party or its Representative who is not otherwise bound by a confidentiality agreement with Disclosing Party or its Representative, or is otherwise not under any obligation to Disclosing Party or its Representative not to disclose the information to the Receiving. Party.

23.4 The Receiving Party shall treat any Confidential Information with at least the same degree of care regarding its secrecy and confidentiality as the Receiving Party's similar information is treated within the Receiving Party's organization. The Receiving Party shall notify the Disclosing Party of any unauthorized disclosure to third parties that the Receiving Party discovers, and Receiving Party shall endeavor to prevent farther such disclosures. The Receiving Party will be responsible for any breach of the terms of this Article 23 by Receiving Party's Representatives.

.5 In the event the Receiving Party is required by applicable law or regulation, by legal process, to disclose any Confidential Information, the Receiving Party shall promptly notify the Disclosing Party and consult with the Disclosing Party. The Receiving Party agrees not to oppose any action by the Disclosing Party to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, the Receiving Party shall furnish only that portion of the Confidential Information which the Receiving Party is advised by counsel is legally required. In any such event, Receiving Party shall use its commercially reasonable best efforts to ensure that all Confidential Information so disclosed will be accorded confidential treatment.

23.6 The Parties agree that remedies at law may be inadequate to protect *each* other in the event of a breach of this Article 23, and the Receiving Party hereby in advance agrees that the Disclosing Party shall be entitled to seek and obtain, without proof of actual damages, temporary, preliminary and permanent injunctive relief from any court or Governmental Authority of competent jurisdiction restraining Receiving Party from committing or continuing any *breach of* this Article 23.

23.7 The confidentiality obligations of each Party under this Article 23 shall continue in full force and effect for a period of five years following the termination of this Agreement.

ARTICLE 24 Miscellaneous Provisions

24.1 This Agreement shall constitute the entire agreement between the Parties hereto relating to the subject matter hereof, and all previous agreements, discussions, communications, and correspondence with respect to the subject matter hereof not set forth in this Agreement are of no force and effect. In all other respects, special contracts or superseding rate schedules **shall** govern AP's transmission service to GENERATOR

24.2 If (i) FERC, any state, or state regulatory commission, implements a change in any law, regulation, *rule* or practice, or (ii) AP upon approval of FERC, implements a change in any regulation, rule or practice, which change materially affects or is reasonably expected to materially affect the Project or voltage and reactive control requirements set forth in this Agreement, the Parties shall negotiate in good faith to determine the amendments, if any, to this Agreement necessary to conform to the change in Applicable Laws and Regulations. The Parties will attempt to agree upon such amendment and will submit such mutually agreed upon amendment(s) to the FERC for **filing** and acceptance. If *the Parties are* unable to agree on such amendments the Dispute shall be resolved pursuant to Article 22. AP shall file such amendment or amendments with FERC, provided that in negotiating such amendments the Parties shall attempt, in good faith, to preserve, to the extent reasonably possible, the bargain initially struck in this Agreement. If *the* Parties are unable to reach agreement on any such amendments, AP shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and GENERATOR shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to Section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to intervene and participate fully in any proceeding before FERC in which such amendments may be considered. Nothing in this Agreement shall lirnit the rights of the Parties or of FERC under Sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder.

24.3 In the event that it is deemed necessary to amend this Agreement, *the* ***Parties*** *will attempt to* agree upon such amendment and will submit such mutually agreed upon amendment(s) to *the* FERC for filing and acceptance.

24.4 No failure or delay on the part of AP or GENERATOR in exercising any of its rightss 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 shall not operate as a waiver of, or estoppel with respect to, any subsequent failure to comply herewith.

24.5 Nothing in this Agreement, express or implied, is intended to confer on any other person except the Parties hereto any rights, interests, obligations or remedies hereunder.

24.6 The Parties hereto agree to execute and deliver promptly, at the expense of the Party requesting such action, any and all other and further instruments, documents and information which may be reasonably requested in order to effectuate the transactions contemplated hereby. The Parties agree to cooperate and assist each other in acquiring any regulatory acceptance necessary to effectuate this Agreement.

24.7 The Article and section headings herein are inserted for convenience only and are not to be construed as part of the terms hereof or used in the interpretation of this Agreement.

24.8 In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue off authorship of any of the provisions of this Agreement. Any reference to any **federal,** state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" in this Agreement shall mean including without limitation.

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

24.10 The mailing address and phone number shall be updated as needed to include the latest mailing address and phone number for the appropriate personnel in AP and GENERATOR Any written notice required to be given by either Party to the other in connection with this Agreement shall be deemed given on the date of receipt personally or by facsimile transmission (if sent by facsimile on a business day during normal business hours of the recipient, or if not, on the next succeeding business day, with transmission confirmed by the sender`s facsimile machine and if sender thereafter sends such notice to recipient by any of the other methods provided in this Section 23.9) or mailed by registered or certified U.S. mail, return receipt requested, postage prepaid, or by reputable overnight courier, with acknowledged receipt of delivery, to the Parties at the address below (or at such other address as shall be specified by like notice). Notice provided by mail or overnight courier shall be deemed given at the date of acceptance or refusal of acceptance shown on such receipt.

Notice to AP shall be to the following address:
Director, System Operations System
Planning and Operations Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601

Operations Center (OC)
Administration Operations (24 hrs/day) General Manager, Operations (724) 838-6061
(unlisted) AP Power North-Desk (24 hrs/day) 800 Cabin Hill Drive (724) 838-6844
(unlisted) Greensburg, PA 15601
(124) 838-6072

Notice to GENERATOR shall be to the following address: Vice
President
Allegheny Energy Supply Company, LLC R.
R. 12, PO Box 1000 Greensburg, PA
15601

GENERATOR
Administration
Executive Director, Production

(724) 850-6180

Operations (24 hrs/day).
P&S Control Center **(P&S** CC)

(724) 853-3700(unlisted)

Any payments required to be made by GENERATOR under this Agreement shall be made to AP at the following address:

Cash Processing
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601

Any payments required to be made by AP under this Agreement shall be made to GENERATOR at the following address:

Vice President
Allegheny Energy Supply Company
Roseytown Rd.
R.R. 12, P.O. Box 1000
Greensburg, PA 15601

24.11 Each Party shall act as an independent contractor with respect to the provision of services hereunder.

24.12 For existing projects covered by this Agreement that are already interconnected and operating in parallel with the Transmission System, AP may waive, in its sole discretion, specific requirements of this Agreement; provided that AP (i) shah not waive any requirements where in AP's judgment such waiver (a) would be inconsistent with Good Utility Practice or (b) *could reduce the ability of* the Project to operate safely, (ii) shall apply such waiver on a non-discriminatory basis for all such existing projects, and (iii) shall specify what requirements have been waived in Exhibit H. IXn the event that such a waiver results, or might result in AP's sole judgement, in an Emergency Condition, a degradation of the Transmission System, a system disturbance, or any other such event, AP shall have the right to rescind such waiver and require the Project to meet at GENERATOR's expense and within a reasonable amount of time the then current requirements to interconnect to the Transmission System.

IN WITNESS WHEREOF, AP and GENERATOR have caused this instrument to be executed by their ~ulY authorized Representatives as of the day and year first above written.

Attest:

ALLEGHENY ENERGY SUPPLY COMPANY, LLC ("G TOR"

[Name]

dor

[Title] 11/21/00

[Date]

WEST PENN POWER COMPANY ("AP")

Attest:

,n~lrw~f--~ **[Name]**

Vice President **[Title]**

11/21/00

[Date]

THE POTOMAC EDISON COMPANY ("AP")

Attest:

Vice President

[Title] 11/21/00

[Date]

ql~4A&C

MONONGAHELA POWER COMPANY ("AP")

[Name]

Vice President

[Title]

Attest:

11/21/0

0 **[Date]**

Tfl /

EXPECTED MAXIMUM OUTPUT:
APPROXIMATELY 175 MW PER UNIT

YARD
TOWER

SPRINGDALE

YARD
TOWER

CAPACITY FACTOR ABOUT 60 %

INSTALL THREE 138 kV BREAKERS AND THREE 138 kV METERS

PRESENT
AP 7/01/02

CT = COMBUSTION TURBINE
ST = STEAM TURBINE

AESC 7/01/02
MILEAGE POINT ~E

SOURCE T. V. SPENCER	Allegheny Power	DRAWN 9-28-00 P. L. ZAWELENSKY	(0
CAD FILE SPRINGDALENUG4.PPT	PLAN	CHKD	
REVIEWED	SPRINGDALE SUBSTATION	SCALE NS	m
APPROVED DATE	INSTALL 138 kV BREAKERS AND METERS TO INTERCONNECT WITH NON UTILITY GENERATION ARNOLD SERVICE CENTER	ALIT ORmAmCN	

(a)

EXHIBIT B

Exhibit B is referenced in Article *16.2 of this* Agreement.

Minimum Insurance Requirements of GENERATOR:

(1) Worker's Compensation Insurance in accordance with statutory requirements including Employer's Liability Insurance with limits of not less than $1 million per occurrence and endorsement providing insurance for obligations under the U.S. Longshoremen's and Harbor Worker's Compensation Act and the Jones Act where applicable.

(2) General Liability Insurance including, but not limited to, bodily injury, property damage, products/completed operations, contractual and personal injury liability with a combined single limit of at least $5 million per occurrence, at least $10 million annual aggregate.

(3) All Risk Property Insurance including. Boiler and Machinery against damage to all owned, leased or operated property that is part of the Facility within limits consistent *with industry* practice.

(4) Automobile Liability Insurance including owned, non-owned and lured automobiles with combined bodily injury and property damage limits of at least $2 million per occurrence, $4 million aggregate.

EXHIBIT C

O INTERCONNECTION FACILI I JES AND SYSTEM UPGRADES IDENTIFIED IN INTERCONNECTION STUDY

Exhibit C is referenced in Article 2.2 and Article 2.4 of this Agreement.

GENERATOR shall pay AP the total estimated costs specified in this Exhibit C at the time of execution and prior to procurement of equipment or another mutually agreed upon time.

Interconnection Facilities:

Install facilities at Springdale Substation to interconnect the proposed new combustion turbines into the AP Transmission System on the Springdale bus through three 138 kV breakers. This includes three sets of 138 kV metering equipment.

$752,000

Engineering, acquistion, installation and testing of three complete protective relaying packages, which will be compatible with equipment installed at the Springdale Substation end of *the* interconnecting lines.

$125,000

System Upgrades:

Rebuild 10.04 mile section of the existing double circuit Springdale-White Valley 138 kV transmission line and string *one* ide of the double circuit with 954kemil ACSR conductor.

$1,683,000

TOTAL ESTIMATED INTERCONNECTION COSTS* **$2,560,000**

*** Additional costs will be determined as specified by Exhibit H.**

The following assumption was employed in developing these costs

+ Costs shown herein do not include any charges for the existing breaker foundations nor any charges for any portion of the existing 138kV bus to which the breakers are to be connected.

TRUE UP COSTS

The parties hereto recognize and agree that this $2,560,000 figure is an estimate of the total installed costs and, as such, is 'object to some final adjustment based on actual costs, as hereinafter provided.

TAX INDEMNIFICATION

In the event that in the future, a determination is made that taxes are owed, GENERATOR shall indemnify and bold AP harmless from and against any and all Federal and State income taxes at any time assessed, as a result of the inclusion in AP's income, by reason of the application, in whole or in part, of tax laws. This tax law indemnification clause specifically includes, but is not limited to Section 118 of the Internal Revenue Code, as it relates to the Interconnection Facilities. This indemnification includes any and all interest and/or penalties assessed thereon as well as all out-of-pocket costs and expenses incurred in connection therewith, including legal and accounting fees and disbursements. GENERATOR shall pay any such taxes, interest, penalties, costs and expenses assessed against AP on demand. It is understood by both parties that this indemnification shall survive any termination of this. agreement by GENERATOR

TERMINATION BY GENERATOR

In the event GENERATOR gives AP written notice to terminate this agreement, GENERATOR agrees to pay AP all costs and associated taxes incurred by AP that are related to the interconnection, including cancellation, termination or similar charges that may be assessed against GENERATOR, so that AP is fully compensated for any and all costs, expenditures, commitments, taxes and work incurred or performed in connection with this agreement.

EXHIBIT D

ONE LINE OF AP'S INTERCONNECTION FACILT11ES
(To be attached upon completion of engineering design)
Exhibit D is referenced in Article 1.4, Article 4.1 and Article 4.5 of this Agreement.

EXHIBIT E

ONE LINE OF GENERATOR'S INTERCONNECTION FACILI I IhS
(To be attached upon completion of engineering design)
Exhibit E is referenced in Article 1.21 and Article 4.5 of this Agreement.

EXHIBIT F

START UP AND TESTING PROGRAM FOR THE INTERCONNECTION FACILITIES AND THE PROJECT

(To be attached prior to filing with FERC)

Exhibit F is referenced in Article 7.2 (b) of this Agreement.

EXHIBIT G

DESIGN LIMITS
(To be attached upon completion of engineering design)
Exhibit G is referenced in Article 1.11 and Article 2.13 of this Agreement.

EXHIBIT H

OTHER PROJECT SPECIFIC PROVISIONS AND WAIVERS

Exhibit H is referenced in Article 23, Article 2.5, Article 2.8, Article 2.12(b) and Article 24.12.

Such specific provisions and/or waivers shall not establish precedent with regard to any other entity or agreement.

Article 2.3 *"AETS"* ***shall*** be used in the "Source Generator Name" in *the* NERC Tag. This name shall be used for GENERATOR and/or its customer to schedule the output of the Project, if the Project is scheduled as a portion of GENERATOR's pool of generation. In the event the Project is not scheduled as a portion of GENERATOR's pool of generation or the Project has been sold to a Third Party, then the NERC Tag must include "SPRNGP2" in the "Source Generator Name".

Article 2.6 Project **is interconnected to AP's Transmission** System at 138 kV.

Article 2.8 The following language will apply for this Article:
GENERATOR is not able to meet the break-before-make transfer requirement. Therefore, GENERATOR shall transfer its standby loads from the 25 kV source prior to start up of the generators and at no time shall GENERATOR purposefully interconnect its generation to the 25 kV standby power source. Further, GENERATOR shall not parallel the 138 kV and 25 kV systems except for what is normally required to complete the transfer of load between sources. Such transfer **shall be of short duration, not to exceed 15 seconds. The load** transfer scheme shall be supported by appropriate protective relaying and interlocks, which may include but are not limited to voltage sensing, reverse power flow and synch check relay and control schemes. Generator shall be interconnected to AP's Springdale 138 kV bus at three separate interconnection points. AP is permitting three separate Interconnection Points on the Springdale 138 kV bus for this Project. This does not permit the GENERATOR under any circumstance to have more than one Project to be interconnected to the Springdale 138 kV bus.

Article 2.12(b) GENERATOR is not able to obtain approval of upgrades necessary to mitigate the adverse impact the Project will have on the Duquesne Light Company's system and/or Springdale-Cheswick 138 kV tie line prior to the execution of this Agreement. Therefore, GENERATOR has agreed to assume all costs associated with its share assigned in proportion to its contribution to *the need for* any required upgrades, located either on AP's or Duquesne Light Company's system, to alleviate the impact the Project has on Duquesne Light Company's system and/or to alleviate the impact the Project has on the the Springdale-Cheswick 138 kV tie line as per the interchange Agreement between West Penn Power Company and Duquesne Light Company dated February 1, 1968 as amended.

In addition, GENERATOR has agreed to abide by the operational requirements (if any) necessitated and imposed due to any upgrades constructed. In the event any required upgrades have not been placed in service upon the Targeted Interconnection Completion Date, GENERATOR and AP shall exercise their respective rights and obligations under Article 2.1. In no event shall GENERATOR be allowed to interconnect to the Transmission System if such upgrades specified above have not been completed.

C Article 24.12 shall be waived. This Article does not apply to this Project. 47

EXHIBIT I

HISTORIC VOLTAGE SCHEDULE

Exhibit I is referenced in Article 4.14 of this Agreement.

The historical average voltage is 135.5 kV.

EXHIBIT J

PROJECT DESCRIPTION

Exhibit J is referenced in Article 1.41 of this. Agreement.

GENERATOR leases and operates a 525 MW generation facility located at Butler Street Extension, Springdale, PA *("Project"). The* Project is located within AP's Control Area.

EXHIBIT K

Switching Scope **and Limitations**

Exhibit K is referenced in Article 4.16 of this Agreement.

A. GENERATOR Qualified Personnel shall switch only equipment owned by GENERATOR and AP shall only switch **GENERATOR** equipment when Emergency Conditions exist or AP, at GENERATOR's expense, is requested to do so by GENERATOR.

B. Either Party must notify the other Party prior to operating equipment that will make interconnection unavailable.

C. Arranged clearances from AP equipment must be made through the OC North Desk (as referenced in Article 24.10:

1. During an arranged clearance for AP work, GENERATOR may desire to work on GENERATOR equipment. GENERATOR must protect its employees and equipment by providing a visible opening between the location of GENERATOR work and the AP equipment.

2. During an arranged clearance for GENERATOR work, **GENERATOR** must provide a visible opening between GENERATOR equipment and energized AP equipment.

3. When an AP switchman operates AP equipment to provide a visible opening, the OC North Desk will issue a safety tag (release order - red tag) to be placed on the equipment providing the visible opening.

4. When an GENERATOR switchman operates GENERATOR equipment to provide a visible opening for work by GENERATOR personnel, GENERATOR must provide a safety tag on the equipment to indicate why the opening exists and that the GENERATOR equipment should not be operated without proper GENERATOR authorization.

5. AP Qualified Personnel may not accept GENERATOR safety tags or switching reports to provide clearance for work by AP Qualified Personnel on AP lines or equipment.

6. All switching, locking and tagging must meet OSHA and NESC requirements 50