

December 19, 2007

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

Re: Settlement Agreement and Explanatory Statement of the Settling Parties in Allegheny Electric Cooperative, Inc., et al., v. PJM Interconnection L.L.C., Docket Nos. EL07-56-000, -001, -002 and EL07-58-000, -001, -002

Dear Ms. Bose:

PJM Interconnection, L.L.C. ("PJM"), pursuant to Rule 602 of the Commission's Rules, submits for filing, on behalf of itself and the parties listed in the enclosed Settlement Agreement (collectively "Settling Parties"), an original and 14 copies of the settlement documents described below.

I. Description of the Filing

The Settlement Agreement filed herein resolves all issues in these proceedings that were designated for settlement discussions by the Commission's September 20, 2007 order in this proceeding. Therefore, the Settling Parties respectfully request that the Commission approve the Settlement Agreement.

II. Documents Enclosed

The Settling Parties submit the following settlement materials:

1. Explanatory Statement;
2. Settlement Agreement, including attachments containing revised sheets to the PJM Tariff and Operating Agreement;
3. Proposed Letter Order; and
4. Certificate of Service.

III. Comment Dates

Pursuant to Rule 602(f)(2), comments on the Settlement Agreement must be filed with the Secretary within 20 days of the filing of the settlement, i.e., on or before January 8, 2007, and reply comments must be filed with the Secretary within 30 days of such filing, i.e., on or before January 18, 2008.

IV. Request for Prompt Review

The Settlement Agreement provides for implementation of the revised Market Monitoring Plan on June 1, 2008. To permit this implementation date, the Settling Parties request that the Commission approve the Settlement Agreement by March 21, 2008.

V. Service and Request for Waiver of Posting Requirements

Pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d) & 2010), PJM has served, either by paper or electronic service, the settlement documents listed in section II above, on all parties listed on the official service list compiled by the Secretary in this proceeding, all PJM members, and all state commissions in the PJM Region.

With regard to service on the PJM members and the state commissions, PJM requests waiver of the posting requirements, so as to permit electronic service rather than paper service. Waiver of paper service is consistent with the Commission's decision to establish electronic service as the default method of service on service lists maintained by the Commission Secretary for Commission proceedings.¹ While Order No. 653 did not amend the posting requirements, application of its rules to tariff filings would be consistent with the Commission's "efforts to reduce the use of paper in compliance with the Government Paperwork Elimination Act."² Applying amended section 385.2010(f) to this filing, PJM will post this filing today to the FERC filings section of its internet site, <http://www.pjm.com/documents/ferc.html>, and send an e-mail to all PJM members and all state utility regulatory commissions in the PJM Region³ alerting them that this filing has been made by PJM today and is available by following such link. Within one

¹ See Electronic Notification of Commission Issuances, Order No. 653, 110 FERC ¶ 61,110 (2005).

² Id. at P 2, citing 44 U.S.C. § 3504.

³ PJM already maintains, updates, and regularly uses e-mail lists for all Members and affected commissions.

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business day, PJM will send a second e-mail to the same list, containing a link that takes the recipient directly to the filed document.⁴

Respectfully submitted,



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Encl.

cc: Service List

⁴ PJM anticipates that in unusual circumstances, it may not be possible to post the document to its website on the day of filing, or to distribute an active link to the document within one business day. Consistent with §385.2010(i)(3), if a link to the document does not become available within two business days after filing, PJM will arrange for immediate service by other means.

Attachment 1

Explanatory Statement

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Allegheny Electric Cooperative, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos. EL07-56-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

Organization of PJM States, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos. EL07-58-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

EXPLANATORY STATEMENT

PJM Interconnection, L.L.C. (“PJM”) submits this Explanatory Statement in support of the enclosed Settlement Agreement and Offer of Settlement (“Settlement Agreement”). The Settlement Agreement resolves all issues in these proceedings that were designated for settlement discussions by the Commission’s September 20, 2007 order in this proceeding.

PJM prepared this Explanatory Statement solely to comply with Commission regulations respecting Offers of Settlement. It is not intended to be an exhaustive explanation of every element of the Settlement. Any characterization herein of the Settlement Agreement or these proceedings is solely that of PJM and should not be attributed to any other party. This Explanatory Statement shall not be used to interpret the Settlement Agreement.

I. BACKGROUND

On April 17, 2007, the District of Columbia Office of the People’s Counsel, on behalf of Joint Complainants,¹ filed a complaint under sections 205 and 206 of the Federal Power Act (“FPA”), 16 U.S.C. §§ 824d and 824e, in Docket No. EL07-56-000 alleging certain tariff violations by PJM related to PJM’s interactions with its internal market monitoring unit (“MMU”). On April 23, 2007, the Organization of PJM States, Inc. (“OPSI”), on behalf of itself and several of its member utility regulators,² filed a similar complaint against PJM under sections 201, 206, 207, and 209 of the FPA, 16 U.S.C. §§ 824, 824e, 824f, and 824g, in Docket No. EL07-58-000, alleging similar tariff violations by PJM.

PJM filed answers in both dockets, generally denying the allegations made in the complaints and opposing the relief sought. Numerous parties moved to intervene in both complaint proceedings, and OPSI replied to PJM’s answer. On May 18, 2007, the Commission issued an order in which it consolidated the two complaint proceedings and

¹ The Joint Complainants are: Allegheny Electric Cooperative, Inc.; Borough of Chambersburg, Pennsylvania; Cities and Towns of Hagerstown, Thurmont and Williamsport, Maryland; District of Columbia Office of the People’s Counsel; Illinois Citizens Utility Board; Indiana Office of Utility Consumer Counsel; Maryland Office of the People’s Counsel; New Jersey Division of Rate Counsel; Office of the Attorney General of Virginia, Division of Consumer Counsel; Office of the Ohio Consumers’ Counsel; Old Dominion Electric Cooperative; Pennsylvania Office of Consumer Advocate; PJM Industrial Customer Coalition; Southern Maryland Electric Cooperative, Inc.; State of Delaware, Division of the Public Advocate.

² The member utility regulators joining the complaint were: Delaware Public Service Commission; District of Columbia Public Service Commission; Indiana Utility Regulatory Commission; Kentucky Public Service Commission; Maryland Public Service Commission; New Jersey Board of Public Utilities; North Carolina Utilities Commission; Pennsylvania Public Utility Commission; Public Utilities Commission of Ohio; Virginia State Corporation Commission.

directed the Secretary to serve data requests on PJM and PJM's Market Monitor, Dr. Joseph E. Bowring.³ In June and July, 2007, Dr. Bowring and PJM submitted responses and supplemental responses to the Commission's data requests, and the Joint Complainants and OPSI filed pleadings commenting upon or answering the submissions by PJM and Dr. Bowring.

On August 2, 2007, PJM filed a unilateral offer of settlement, in which it proposed numerous changes to its market monitoring plan, including the establishment of an external MMU. It exempted from its offer a resolution of the tariff violation allegations of the complaints, as well as the complaints' requests for interim relief, both of which PJM requested the Commission to rule upon separately. Numerous parties filed comments and reply comments, and OPSI and Joint Complainants filed responses to PJM's reply comments, which the Commission accepted. The Commission also accepted comments from Dr. Bowring.

On September 20, 2007, the Commission issued an order finding: (1) that PJM has not committed tariff violations, and that the existing record is sufficient to support that finding; and (2) that the significant tension between PJM management and the Market Monitor could compromise the MMU's ability to perform its tariff-defined functions and that, as a result, tariff modifications may be necessary to reform that relationship.⁴ The Commission made a preliminary finding that the Market Monitor

³ Allegheny Electric Coop., Inc., 119 FERC ¶ 61,165 (2007) ("May 18 Order").

⁴ Allegheny Electric Coop., Inc., 120 FERC ¶ 61,254 (2007) ("September 20 Order").

should report to the PJM Board of Managers (“Board”) or to an independent committee of the Board, rather than to both the Board and PJM management.⁵

The Commission deferred ordering a tariff amendment to that effect, however, finding it desirable for the parties themselves to work out the details of the relationship between PJM and its Market Monitor and, to that end, instituted settlement procedures in the case. The Commission directed that the parties’ chosen facilitator would make an interim report back to the Commission within 45 days and a final report within 90 days, to advise whether agreement has been reached or is likely to be reached in the near future. The Commission expressed its strong desire that the parties reach a mutual accommodation on the issues and submit a proposed settlement at the end of the 90-day period. The settlement process was assigned Docket Nos. EL07-56-001 and EL07-58-001.

On October 4, 2007, the parties proposed that the Commission’s Chief of Staff, John S. Moot, serve as facilitator, aided by a mediation specialist from the Commission’s Dispute Resolution Service. On October 5, 2007, the Commission issued an order accepting the parties’ consensus proposal.⁶ The parties engaged in frequent settlement talks over the ensuing 11 weeks. Mr. Moot issued his interim settlement report on November 5, 2007.

As a result of their good-faith negotiations and the commendable efforts of the Commission-provided facilitator and mediation specialists, the parties reached consensus

⁵ On October 19, 2007, OPSI and Joint Complainants each filed a request for rehearing of the September 20 Order. The rehearing requests were assigned Docket Nos. EL07-56-002 and EL07-58-002.

⁶ Allegheny Electric Coop., Inc., 121 FERC ¶ 61,021 (2007) (“October 5 Order”).

regarding revisions to the Market Monitoring Plan in the PJM Open Access Transmission Tariff (“PJM Tariff”). The parties also reached consensus regarding revisions to terms in the Operating Agreement of PJM Interconnection, L.L.C. (“PJM Operating Agreement”) on the disclosure of confidential information to state regulators and other authorized persons, and a new Schedule 9-MMU to the PJM Tariff for recovery of the MMU’s costs from PJM customers. PJM and Dr. Bowring also reached agreement on a Market Monitoring Services Agreement and a supporting data-access agreement, known as the Service Level Agreement, regarding the market monitoring services to be performed by a company to be formed by Dr. Bowring to provide market monitoring services.

Parties voted on December 13, 2007 whether to support the settlement. All of the listed Settling Parties formally expressed such support. The remaining active parties, with only one exception, stated that they did not oppose the settlement.

II. DETAILED DESCRIPTION OF THE SETTLEMENT AGREEMENT

A. Overview

The settlement is reflected in agreed revisions to the PJM Market Monitoring Plan (Attachment M to the PJM Tariff), to section 18.17 of the PJM Operating Agreement, concerning certain procedures for release of confidential information, and to Schedule 9 of the PJM Tariff, establishing charges for the recovery of MMU costs. PJM and Monitoring Analytics, LLC, a company formed by Dr. Bowring, have entered into a Market Monitoring Services Agreement, and a Service Level Agreement between PJM and the new MMU, implementing detailed rules and procedures for the MMU’s access to PJM data. (The latter two agreements are not being filed as Commission-jurisdictional tariffs or rate schedules, but are included with the filed settlement materials for the Commission’s information.)

The revisions to Attachment M and the PJM Operating Agreement, and the new Schedule 9-MMU, have an effective date of June 1, 2008, corresponding to the date the external MMU will be implemented. To eliminate uncertainty and provide time for such implementation, the Settling Parties ask the Commission to approve the settlement by no later than March 21, 2008.

This explanatory statement first describes the tariff and operating agreement revisions and the PJM-MMU agreements, and then summarizes certain other provisions of the Settlement Agreement.⁷

B. Revisions to Attachment M of the PJM Tariff

The Settling Parties have agreed to revisions to the Market Monitoring Plan, Attachment M to the PJM Tariff.⁸ As revised, the MMU's independence is emphasized prominently in the plan's stated objectives, which are to "maintain an independent Market Monitoring Unit that will objectively monitor, investigate, evaluate and report" on the PJM markets, including, "structural, design or operational flaws" in those markets or "the exercise of market power or manipulation" in those markets.⁹

Similarly, section III.C of revised Attachment M provides that the MMU shall be independent from any person or entity, except for the PJM Board (as specified elsewhere in the plan) and the Commission. That section further provides that "[n]o person or entity

⁷ Capitalized terms used in this Explanatory Statement have the meanings provided in the Settlement Agreement or in the tariff or operating agreement provision addressed.

⁸ The agreed revisions are shown in clean and redlined form (redlined against the current effective PJM Tariff) in Attachment A to the Settlement Agreement.

⁹ Revised Attachment M (set forth in Attachment A to the Settlement Agreement), section I.

shall have the right to preview, screen, alter, delete, or otherwise exercise editorial control over or delay” MMU actions or investigations, or the MMU’s findings, conclusions or recommendations.

Revised Attachment M specifies that the PJM Board (defined to exclude any members of PJM management) has the authority and responsibility to: (a) review the budget of the MMU, as more fully described below; and (b) “propose to terminate, retain by contract renewal, or replace” the MMU, as more fully described below.¹⁰ Attachment M adds that the PJM Board and Market Monitor shall meet and confer from time to time on matters relevant to each entity’s duties under the Market Monitoring Plan, and provides that, other than these enumerated items, “the PJM Board shall have no responsibility for, or authority over,” the MMU. Id.

As to the MMU’s budget, revised Attachment M provides that the Market Monitor “shall prepare a budget each year of its expenses on an accrual basis in accordance with generally accepted accounting principles that is sufficient to cover the anticipated actual costs to perform the services” under Attachment M.¹¹ The Market Monitor is to submit its budget for a calendar year by the preceding September 15 each year to the PJM Finance Committee, PJM Board, and OPSI Advisory Committee for review and comment.¹² These reviewing bodies may request changes in the budget until October 15 of such year. The Market Monitor must then either accept such changes or provide a written explanation why the changes are not acceptable. If the Market Monitor

¹⁰ Id. section III.D.

¹¹ Id. section III.E.

¹² Id. The draft budget shall also be available for inspection by all PJM Members.

and the three reviewing entities, after discussion, resolve their disputes over requested changes, then “the mutually agreeable budget shall go into effect on January 1 of the subsequent year.” Id.

If, however, there remains a dispute, then PJM shall file the Market Monitor’s proposed budget with the Commission by November 1 for resolution of the dispute. In its filing, PJM shall explain the dispute and state the PJM Board’s position on the dispute. Any other interested person may also file comments on the dispute.

If the Market Monitor requires an intra-year amendment to its budget, it must provide the proposed amendment, the reasons for the amendment, and reasonable supporting details, to the PJM Board, the Finance Committee and the OPSI Advisory Committee.¹³ If those entities are unable to resolve any disputes concerning the amendment within 30 days, then PJM will file the proposed budget amendment with the Commission for resolution of the dispute. Id.

Revised Attachment M further provides that the Market Monitor’s approved budget shall be collected pursuant to Schedule 9-MMU of the PJM Tariff, as described below. Id.

Revised Attachment M specifies the term of the PJM-MMU contract and the standards and procedures for termination of the contract.¹⁴ The initial term of the contract shall be six years, commencing on the effective date of revised Attachment M, i.e., June 1, 2008. Upon the expiration of the initial term, the contract may be extended

¹³ The proposed budget amendment shall also be made available for inspection by the PJM Members.

¹⁴ Id. section III.F.

for subsequent term(s) of three years if both parties agree. The settlement revisions identify three different time periods for possible termination of the PJM-MMU contract, with differing termination standards for each period. During the contract's first three years, the PJM Board may propose to terminate the contract "upon a determination of willful misconduct or gross negligence" by the MMU. During the second three years, the PJM Board may propose to terminate the contract upon a determination that the MMU "has not adequately performed its functions" under Attachment M. At the end of the contract's term, the PJM Board may propose to terminate the contract either: (a) upon a determination that the MMU has not adequately performed its Attachment M functions; or (b) "pursuant to an open, nondiscriminatory and transparent request for proposals." Id.

Revised Attachment M states that the contract with the MMU shall not be terminated until: (1) the Commission has reviewed the PJM Board's termination proposal and any comments or protests; (2) the Commission finds that the PJM Board has demonstrated the termination is justified under the standards described above; (3) the Commission has approved a process for selecting a new MMU; and (4) a new MMU has been selected under the Commission-approved process. Id.

Revised Attachment M also specifies the composition and function of an OPSI Advisory Committee and an MMU Advisory Committee. The OPSI Advisory Committee will be comprised of five representatives selected by OPSI, and shall meet with the MMU on a regular basis (and as otherwise necessary) to receive and discuss information relevant to the Market Monitoring Plan. In addition to roles, described above, in the budget and contract termination processes, the OPSI Advisory Committee may provide advice to the Commission, Market Monitor, PJM Board, and PJM stakeholder bodies

regarding any matter concerning the MMU, Market Monitor, or Market Monitoring Plan.¹⁵

The MMU Advisory Committee, chaired by the Market Monitor and open to all stakeholders and relevant government agency representatives, will serve as a liaison between the MMU and stakeholders and provide advice from time to time on matters relevant to the MMU's responsibilities under the Market Monitoring Plan.¹⁶

In addition, a PJM Liaison is established. The PJM Liaison is a PJM employee appointed to facilitate communications between PJM employees and the MMU, as further described below.¹⁷

The revised Market Monitoring Plan also addresses the MMU's functions and responsibilities. In general, the MMU shall objectively monitor the competitiveness of the PJM markets, investigate violations of market rules, recommend changes to market rules, prepare reports, and take other actions specified in the plan.¹⁸

As to the monitored activities, the revised plan clarifies that the MMU shall investigate actual exercises of market power or rule violations, in addition to potential exercises or violations; shall monitor PJM's implementation of market rules or operation

¹⁵ Id. section III.G.

¹⁶ Id. section III.H. Revised Attachment M notes that the MMU Advisory Committee will have no authority to direct, review, supervise, or otherwise interfere with the MMU's Attachment M functions, or to terminate or propose to terminate the Market Monitor.

¹⁷ Id. section III.I.

¹⁸ Id. section IV.A.

of the markets, and shall monitor such matters as are needed to prepare the reports contemplated by the plan.¹⁹

If the MMU disagrees with PJM's implementation of market rules or operation of the markets, the MMU may so advise PJM.²⁰ Except in the case of corrective actions, discussed below, if the disagreement cannot be resolved informally, the MMU may inform the Commission, Authorized Government Agencies, or the PJM members. However, the MMU has no authority to direct PJM to modify its implementation of market rules or operation of the markets. Id.

PJM is responsible for proposing for approval by the Commission (consistent with tariff procedures and applicable law) changes to the design of the PJM markets. The MMU may, if it detects a design flaw or other problem with the PJM markets, initiate and propose, through the appropriate stakeholder process, changes to the design of such markets.²¹

The MMU also may recommend that PJM take specific mitigation action that is authorized under the PJM market rules, but shall not have authority to modify PJM operational decisions, including dispatch instructions.²² If PJM does not accept the MMU's mitigation recommendations, the MMU may as it deems appropriate report such

¹⁹ Id. section IV.B.

²⁰ Id. section IV.C.

²¹ Id. section IV.D.

²² Id. section IV.E.

recommendations to Authorized Government Agencies, the Commission staff, state commissions, or the PJM members.²³

The revised plan adds that, upon written request of the OPSI Advisory Committee, the MMU may in its discretion provide studies or reports on wholesale market issues affecting one or more states in the PJM region (including wholesale transactions occurring under a state-administered auction process).²⁴ Both the requests and the resulting reports shall be made public, subject to protection of confidentiality concerns. Id.

The revised plan also clarifies that the MMU may participate in PJM stakeholder bodies, consistent with the rules applicable to all PJM stakeholders.²⁵

Except for conforming changes (to reflect changes elsewhere in the plan), the plan's existing provisions on "Corrective Actions," i.e., required notices and referrals to the Commission, "Additional MMU Authority" and "Confidentiality" are largely unchanged.²⁶

The Settling Parties agreed to modify Attachment M's provisions on MMU reports to expressly state that the MMU shall submit its annual state-of-the-market report contemporaneously to the Commission, state commissions, PJM Board, PJM

²³ Id. Revised Attachment M clarifies that nothing in the plan supersedes any authority the MMU has under the PJM market rules, nor precludes any entity from seeking to modify such authority in a filing with the Commission. Id.

²⁴ Id. section IV.F.

²⁵ Id. section IV.G.

²⁶ Id. sections IV.I, IV.J, IV.K.

management, and PJM Members Committee.²⁷ As revised, Attachment M states that these reports shall address, among other things, “the extent to which prices in the PJM Markets reflect competitive outcomes, the structural competitiveness of the PJM Markets, the effectiveness of bid mitigation rules, and the effectiveness of the PJM Markets in signaling infrastructure investment.” Id. The revised plan also states that the MMU may from time to time submit additional reports to the Commission, PJM Board, and the PJM Members Committee, as the MMU may deem appropriate in the discharge of its Attachment M responsibilities. Id.

C. Revisions to Section 18 of the PJM Operating Agreement

The Settling Parties have agreed to revisions to section 18.17 of the PJM Operating Agreement, and related changes to Schedules 10 (Form of Non-Disclosure Agreement) and 10A (Form of Certification) to the PJM Operating Agreement, concerning procedures for the treatment of confidential information in PJM’s and the MMU’s custody.²⁸ First, these provisions have been changed by inserting references throughout to “the PJM Market Monitor” in addition to existing references to “the Office of the Interconnection.” This ensures that the confidentiality rules of section 18.17 continue to apply, as they do today to the internal PJM MMU, after the MMU becomes a separate company.

The agreed revisions include changes to section 18.17.4 concerning access by state commissions and their employees to confidential information held by PJM or the

²⁷ Id. section VI.A.

²⁸ The agreed upon revisions are shown in clean and redlined form (redlined against the current effective PJM Operating Agreement) in Attachment B to the Settlement Agreement.

MMU. Under the revised rules, a state commission (“Authorized Commission”) files a certification with the Commission representing and warranting that it has adequate internal procedures to protect against the release of confidential information by authorized employees or agents (“Authorized Persons”), and that it will strictly enforce and periodically review all such procedures. An Authorized Commission may not further disclose confidential information it receives under these provisions except by order of the Commission. An Authorized Commission may provide confidential information received from PJM or the MMU to its employees, attorneys, and contractors, provided that the Authorized Commission has internal procedures in place to ensure that each person receiving the information protects its confidentiality, the Authorized Commission gives PJM, and updates every 90 days, a list of Authorized Persons, and any third-party contractors given access to such information sign a non-disclosure agreement in the form attached to the PJM Operating Agreement.

Section 18.17.4(d) sets forth the consequences if there is a breach by an Authorized Commission or Authorized Person of the confidentiality of information provided pursuant to these provisions. The Authorized Commission or Authorized Person must promptly notify PJM or the MMU (as applicable) of such breach. PJM (or the MMU, as applicable) then shall terminate the Authorized Commission’s right to receive confidential information upon written notice, unless the affected Member suffered no harm or damage, or similar good cause is shown.²⁹ An Authorized Commission may reestablish its certification by submitting a filing with the Commission showing it has taken appropriate corrective action. If the Commission does not act on

²⁹ Any appeal of such determinations by PJM or the MMU is to the Commission.

such re-certification filing within 60 days, the re-certification is deemed approved, and the Authorized Commission shall again be permitted to receive confidential information under section 18.17. Revised section 18.17.4 retains, with little change, existing provisions on remedies that a party that provided confidential information may exercise in the event of a breach; limitations of liability; and the venue for resolution of disputes arising from such a breach.

The settlement also includes changes to sections 18.17.2 and 18.17.3 to make clear that the existing special rules on disclosure of information requested by “FERC or its staff” do not apply to requests for production of information under Subpart D of the Commission’s rules, 18 C.F.R. pt. 385, Subpart D.

The Settling Parties also have agreed to conforming changes to Schedule 10 (“Form of Non-Disclosure Agreement”) and Schedule 10A (“Form of Certification”) to the PJM Operating Agreement. Consistent with the changes to section 18.17.4, non-disclosure agreements no longer will be required from every Authorized Person of an Authorized Commission. Rather, such agreements will be required only from third-party attorneys or consultants of an Authorized Commission. Authorized Persons employed by an Authorized Commission will simply be listed on the Authorized Commission’s certification. The condition precedent to disclosure that an Authorized Commission obtain an order from the Commission prohibiting release of data in accordance with the Operating Agreement is eliminated from the form agreement, since that process has been replaced by the certification process described in section 18.17.4. Moreover, certain provisions in the current Form of Non-Disclosure Agreement that have been adapted and carried into the text of section 18.17.4 (such as the detailed procedures for information requests) have been deleted from the form agreement.

D. Revisions to Schedule 9 of the PJM Tariff

The Settling Parties have agreed to add a new Schedule 9-MMU to the PJM Tariff, providing a means for PJM to collect from customers the amounts PJM pays to the external MMU.³⁰ PJM currently recovers its costs of an internal MMU through Schedule 9-3 (“Market Support Service”) of the PJM Tariff, and new Schedule 9-MMU is in part patterned after that existing schedule. In particular, Schedule 9-MMU adopts the same billing determinants as Schedule 9-3, so that PJM’s costs incurred for market monitoring services will continue to be recovered from the same customers that bear those costs today.³¹

Schedule 9-MMU differs from Schedule 9-3, however, in that it assesses charges based on the MMU’s approved annual budget, rather than using a stated rate.³² The Settling Parties have agreed that the annual MMU budget shall be \$9,276,712 for the initial period ending on December 31, 2009, subject to certain specified adjustment prior to commencement.³³ For each subsequent year, the MMU’s annual budget shall be determined pursuant to the provisions of Attachment M described above. Each budget

³⁰ The agreed Schedule 9-MMU is shown in Attachment C to the Settlement Agreement.

³¹ Thus, as with Schedule 9-3, the charges in Schedule 9-MMU will be assessed on all customers using Point-to-Point or Network Integration Transmission Service under the PJM Tariff, all Generation Providers (as defined in that schedule), and all entities that submit offers to sell or bids to buy energy in the PJM Interchange Energy Market.

³² Because it does not use a stated rate, Schedule 9-MMU includes a formulaic factor to determine the portion of total MMU cost to be recovered from Bid/Offer Segments (as defined in Schedule 9-3). This factor, 0.013, corresponds to the share of total Market Support Services revenue collected by the Bid/Offer Segment charge of current Schedule 9-3.

also shall reflect an adjustment to take account of any credit or deficiency from the prior year based on the MMU's actual expenses for the prior year compared to the MMU's revenues received under Schedule 9-MMU for the prior year. However, this adjustment shall not take account of any actual MMU expenses for the prior year that exceed the MMU's approved annual budget for such year unless the MMU receives approval from the Commission for an amendment to its annual budget.

Schedule 9-MMU also includes provisions for: (a) the MMU to report and document its annual actual prior-year expenses to PJM and the PJM Finance Committee each year; (b) PJM to transmit revenues received under Schedule 9-MMU to the MMU within 2 business days of receipt; and (c) reconciliation of expenses and revenues when there is a change in the entity serving as the MMU for the PJM region.

The Settlement Agreement addresses the effect on PJM's existing rates under Schedule 9, providing that "PJM shall eliminate the costs avoided as a result of externalization of the MMU from its annual budget."³⁴ The Settlement Agreement provides that excess collections resulting from these avoided costs "shall be included in refunds paid in accordance with" the settlement of the PJM stated rates proceeding in Docket No. ER05-1181-000.³⁵

(. . . continued)

³³ See the Market Monitoring Services Agreement at section 5.1.

³⁴ Settlement Agreement at 8. PJM has estimated these annual avoided costs at approximately \$4.7 million. Id.

³⁵ PJM Interconnection, L.L.C., 115 FERC ¶ 61,249 (2006).

E. Market Monitoring Services Agreement

PJM and Monitoring Analytics, LLC, a company formed by Dr. Bowring, have entered into a Market Monitoring Services Agreement, pursuant to which market monitoring services will be provided.³⁶ The agreement is being submitted to the Commission with the Settlement Agreement for informational purposes. The Market Monitoring Services Agreement addresses details of the PJM-MMU relationship, including rates and payment, transition provisions, location and physical access, data access, staffing, employee benefits, branding, conflicts of interest and prohibited engagements, intellectual property, security, and other matters. The Market Monitoring Services Agreement also includes detailed dispute resolution provisions.³⁷

F. Service Level Agreement

PJM and Dr. Bowring have agreed upon a Service Level Agreement, providing the detailed procedures and protocols for PJM's provision of information to the external MMU established pursuant to the Market Monitoring Services Agreement.³⁸ This agreement also is being submitted to the Commission with this settlement for informational purposes.

³⁶ The Market Monitoring Services Agreement is shown in Attachment D to the Settlement Agreement.

³⁷ Market Monitoring Services Agreement section 11.

³⁸ The Service Level Agreement is shown in Attachment E to the Settlement Agreement.

G. Other Provisions of the Settlement Agreement

The Settlement Agreement provides important protections to limit changes in the agreed settlement provisions for a defined period. Specifically, section III of the Settlement Agreement states:

For a period of six (6) years from the effective date of the attached revisions to Attachment M, if any party to the Commission proceedings in Docket Nos. EL07-56 or EL07-58, Dr. Bowring, or the company established by Dr. Bowring petitions the Commission for a change to Attachment M or Section 18.17.4 of the PJM Operating Agreement (including Schedules 10 and 10A), such change shall, in the absence of agreement of all such entities, be governed by the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956).

The Settlement Agreement also makes clear that the protection against changes applies to the standards and processes in Attachment M concerning possible termination and replacement of the MMU at the end of the initial PJM-MMU contract term. The parties are not purporting to bind the Commission to the public interest standard.

The Settlement Agreement also addresses the pending rehearing requests of the September 20 Order. The settlement does not require those rehearing petitions, which relate to alleged past tariff violations, to be withdrawn, but states that “should any litigation ensue, [the Settling Parties] will not seek changes to any of the provisions set out [in the Settlement Agreement] and [its] attached documents.”³⁹

III. REQUIRED INFORMATION

In accordance with the Chief Administrative Law Judge’s October 15, 2003 Notice To The Public, the Settling Parties provide the following information:

³⁹ Settlement Agreement at 3.

A. Issues Underlying the Settlement and Major Implications

The issues underlying the Settlement Agreement are: (1) the justness and reasonableness of PJM's existing Market Monitoring Plan; and (2) the content of a just and reasonable replacement for PJM's existing Market Monitoring Plan.

B. Policy Implications

The issues settled in this proceeding do not require the Commission to examine or change any existing policy or procedure.

C. Other Pending Cases

The Settlement Agreement does not affect any other pending proceeding.

D. Issues of First Impression or Reversals on Issues

The Settlement Agreement does not require the Commission to address any issues of first impression, nor are there any previous reversals on the issues involved.

E. Applicable Standard of Review

Except as described in section II.G above, the standard of review of the Settlement Agreement is the just and reasonable standard.

Respectfully submitted,



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**Attorneys for
PJM Interconnection, L.L.C.**

Attachment 2

Settlement Agreement (including attachments containing revised sheets to the PJM Tariff and Operating Agreement)

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Allegheny Electric Cooperative, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos.EL07-56-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

Organization of PJM States, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos. EL07-58-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

**SETTLEMENT AGREEMENT
AND OFFER OF SETTLEMENT**

December 19, 2007

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Allegheny Electric Cooperative, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos. EL07-56-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

Organization of PJM States, Inc., <u>et al.</u> ,)	
)	
v.)	Docket Nos. EL07-58-000, -001, -002
)	
PJM Interconnection, L.L.C.)	

**SETTLEMENT AGREEMENT
AND OFFER OF SETTLEMENT**

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), this Settlement Agreement and Offer of Settlement (“Settlement Agreement”) is submitted by the following parties in this proceeding: Allegheny Electric Cooperative, Inc.; American Electric Power Service Corp.;¹ Baltimore Gas and Electric Company; Borough of Chambersburg, Pennsylvania; Delaware Division of Public Advocate; Delaware Public Service Commission; District of Columbia Public Service Commission; Dominion Resources Services, Inc., on behalf of Dominion Energy Marketing, Inc., Elwood Energy, LLC, Fairless Energy, LLC, Kincaid Generation, LLC, Virginia Electric and Power Company d/b/a Dominion Virginia Power;

¹ On behalf of certain operating companies of the American Electric Power system, Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

Edison Mission Group; Edison Mission Marketing & Trading, Inc.; Exelon Corporation; FirstEnergy Service Company on behalf of Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, and FirstEnergy Solutions Corp. (“the Designated FirstEnergy Affiliates”); FPL Energy Marcus Hook, L.P., North Jersey Energy Associates, L.P., Doswell Limited Partnership, Backbone Mountain Windpower LLC, Mill Run Windpower LLC, Somerset Windpower LLC, Meyersdale Windpower LLC, Waymart Wind Farm L.P., Pennsylvania Windfarms, Inc. (together “FPL Energy Generators”); Indiana Office of Utility Consumer Counselor; Indiana Utility Regulatory Commission; Kentucky Public Service Commission; Maryland Public Service Commission; New Jersey Board of Public Utilities; North Carolina Utilities Commission; NRG Power Marketing Inc., Conemaugh Power LLC, Indian River Power LLC, Keystone Power LLC, NRG Energy Center Dover LLC, NRG Energy Center Paxton LLC, NRG Rockford LLC, NRG Rockford II LLC, and Vienna Power LLC (collectively the “NRG Companies”); Organization of PJM States, Inc.; Pennsylvania Public Utility Commission; PJM Industrial Customer Coalition; PJM Interconnection, L.L.C.; PSEG Power LLC, PSEG Energy Resources & Trade LLC; Public Service Electric and Gas Company (collectively “PSEG Companies”); Public Utilities Commission of Ohio; and Virginia State Corporation Commission (collectively “Settling Parties”). Dr. Joseph E. Bowring, PJM’s Market Monitor, has informed the Settling Parties that he also supports the terms and conditions set forth in this Settlement Agreement.

In addition, the following parties have stated that they do not oppose this Settlement Agreement: American Municipal Power – Ohio, Inc.; City of Hagerstown, Maryland; Constellation Energy Commodities Group, Inc., and Constellation New

Energy, Inc.; Dayton Power and Light Company; DC Energy, LLC; District of Columbia Office of the People's Counsel; Illinois Citizens Utility Board; Maryland Office of People's Counsel; Mirant Energy Trading, LLC, Mirant Chalk Point, LLC, Mirant Mid-Atlantic, LLC, and Mirant Potomac River, LLC; North Carolina Electric Membership Corporation; Office of the Ohio Consumers' Counsel; Old Dominion Electric Cooperative; Pennsylvania Office of Consumer Advocate; Pepco Holdings, Inc., on its own behalf and on behalf of its affiliates Potomac Electric Power Company, Atlantic City Electric Company, Delmarva Power and Light Company, Conectiv Energy Supply, Inc., and Pepco Energy Services, Inc.; Reliant Energy, Inc.; and Southern Maryland Electric Cooperative, Inc.

This Settlement Agreement resolves all issues in these proceedings that were designated by the Commission's order of September 20, 2007, for settlement discussions. Petitions for rehearing of parts of that order are pending; the Settling Parties agree that should any litigation ensue, they will not seek changes to any of the provisions set out herein and in the attached documents.

I. BACKGROUND

On April 17, 2007, the District of Columbia Office of the People's Counsel, on behalf of Joint Complainants,² filed a Complaint for a Show Cause Order, on a Fast

² Allegheny Electric Cooperative, Inc.; Borough of Chambersburg, Pennsylvania; Cities and Towns of Hagerstown, Thurmont and Williamsport, Maryland; District of Columbia Office of the People's Counsel; Illinois Citizens Utility Board; Indiana Office of Utility Consumer Counsel; Maryland Office of the People's Counsel; New Jersey Division of Rate Counsel; Office of the Attorney General of Virginia, Division of Consumer Counsel; Office of the Ohio Consumers' Counsel; Old Dominion Electric Cooperative; Pennsylvania Office of Consumer Advocate; PJM Industrial Customer Coalition; Southern Maryland Electric Cooperative, Inc.; State of Delaware, Division of the Public Advocate.

Track Basis and Request for Shortened Response Time, alleging certain tariff violations by PJM Interconnection, L.L.C. (“PJM”). This complaint, filed pursuant to sections 205 and 206 of the Federal Power Act (“FPA”), 16 U.S.C. §§ 824d and 824e, was assigned Docket No. EL07-56-000.

On April 23, 2007, the Organization of PJM States, Inc. (“OPSI”), on behalf of itself and several of its member utility regulators,³ filed a Complaint against PJM Requesting Fast Track Processing and Motion for Interim Relief, and alleging certain tariff violations by PJM. This complaint, filed pursuant to sections 201, 206, 207, and 209 of the FPA, 16 U.S.C. §§ 824, 824e, 824f, and 824g, was assigned Docket No. EL07-58-000.

Timely motions to intervene were filed by 25 entities in Docket No. EL07-56-000 and by 26 entities in Docket No. EL07-58-000. Late motions to intervene were filed in both dockets, all of which the Commission granted. PJM filed answers in both dockets, generally denying the allegations made in the complaints and opposing the relief sought. OPSI filed a Motion for Leave to Respond to Answer and Answer.

On May 18, 2007, the Commission issued an Order Consolidating Proceedings, Issuing Data Requests and Related Matters,⁴ in which it consolidated the two dockets, granted the Motion for Leave to Respond to Answer filed by OPSI, granted fast track

³ Delaware Public Service Commission; District of Columbia Public Service Commission; Indiana Utility Regulatory Commission; Kentucky Public Service Commission; Maryland Public Service Commission; New Jersey Board of Public Utilities; North Carolina Utilities Commission; Pennsylvania Public Utility Commission; Public Utilities Commission of Ohio; Virginia State Corporation Commission.

⁴ Allegheny Electric Coop., Inc., 119 FERC ¶ 61,165 (2007) (“May 18 Order”).

processing, deferred action on the request for interim relief, and directed the Secretary to serve data requests on PJM and Dr. Bowring.

On June 12, 2007, both Dr. Bowring and PJM submitted responses to the Commission's data requests. On July 2, 2007, PJM submitted a supplemental response, and on July 11, 2007, Dr. Bowring submitted a supplemental response. On July 17, OPSI filed an Answer to PJM's July 2, 2007 filing. On July 27, 2007, Joint Complainants filed supplemental comments to the June 12, 2007 data responses of PJM and Dr. Bowring, to PJM's July 2, 2007 supplemental response, and to the July 17, 2007 Answer of OPSI.

On August 2, 2007, PJM filed a unilateral "Offer of Settlement," in which it proposed numerous changes to its market monitoring plan, including the establishment of an external MMU. It exempted from its offer a resolution of the tariff violation allegations of the complaints, as well as the request for interim relief, both of which PJM requested the Commission to rule upon separately. Numerous parties filed comments and reply comments, and OPSI and Joint Complainants filed responses to PJM's reply comments, which the Commission accepted. The Commission also accepted comments from Dr. Bowring.

On September 20, 2007, the Commission issued an order finding: (1) that PJM has not committed tariff violations, and that the existing record is sufficient to support that finding; and (2) that the significant tension between PJM management and the Market Monitor could compromise the MMU's ability to perform its tariff-defined functions and that, as a result, tariff modifications may be necessary to reform that relationship.⁵ The Commission made a preliminary finding that the Market Monitor

⁵ Allegheny Electric Coop., Inc., 120 FERC ¶ 61,254 (2007) ("September 20 Order").

should report to the PJM Board of Managers (“Board”) or to an independent committee of the Board, rather than to both the Board and PJM management.

The Commission deferred ordering a tariff amendment to that effect, however, finding it desirable for the parties themselves to work out the details of the relationship between PJM and its Market Monitor and, to that end, instituted settlement procedures in the case. The Commission directed that the parties’ chosen facilitator would make an interim report back to the Commission within 45 days and a final report within 90 days, to advise whether agreement has been reached or is likely to be reached in the near future. The Commission expressed its strong desire that the parties reach a mutual accommodation on the issues and submit a proposed settlement at the end of the 90-day period. The settlement process was assigned Docket Nos. EL07-56-001 and EL07-58-001.

On October 4, 2007, the parties proposed that the Commission’s Chief of Staff, John S. Moot, serve as facilitator, aided by a mediation specialist from the Commission’s Dispute Resolution Service. On October 5, 2007, the Commission issued an order accepting the parties’ consensus proposal.⁶ The parties engaged in frequent settlement talks over the ensuing 11 weeks. Mr. Moot issued his interim settlement report on November 5, 2007.

On October 19, 2007, OPSI and Joint Complainants each filed a request for rehearing of the September 20 Order. The rehearing requests were assigned Docket Nos. EL07-56-002 and EL07-58-002.

⁶ Allegheny Electric Coop., Inc., 121 FERC ¶ 61,021 (2007) (“October 5 Order”).

II. SETTLEMENT AGREEMENT

A. Effective Date and Implementation Date

This Settlement Agreement shall be effective on the date of the Commission's approval of this Settlement Agreement. To eliminate uncertainty and allow time for implementation, the Settling Parties request that the Commission approve this Settlement Agreement no later than March 21, 2008. Assuming such approval, the attached revisions to the PJM Open Access Transmission Tariff ("PJM Tariff") and the Operating Agreement of PJM Interconnection, L.L.C. ("PJM Operating Agreement") shall be effective on June 1, 2008.

B. Revisions to Attachment M of the PJM Tariff

The Settling Parties have agreed to revisions to the Market Monitoring Plan, Attachment M to the PJM Tariff. The agreed revisions are shown in clean and redlined form (redlined against the current effective PJM Tariff) in Attachment A to this Settlement Agreement. The Commission's approval of this Settlement Agreement shall constitute full authority for PJM to place such tariff revisions into effect, effective on June 1, 2008.

C. Revisions to Section 18 of the PJM Operating Agreement

The Settling Parties have agreed to revisions to Section 18 of the PJM Operating Agreement, and related changes to Schedules 10 (Form of Non-Disclosure Agreement) and 10A (Form of Certification) to the PJM Operating Agreement, concerning procedures for the treatment of confidential information in PJM's and the MMU's custody. The agreed revisions are shown in clean and redlined form (redlined against the current effective PJM Operating Agreement) in Attachment B to this Settlement Agreement. The

Commission's approval of this Settlement Agreement shall constitute full authority for PJM to place such Operating Agreement revisions into effect, effective on June 1, 2008.

D. Revisions to Schedule 9 of the PJM Tariff

The Settling Parties have agreed to add a new Schedule 9-MMU to the PJM Tariff, providing a means for PJM to collect from customers the amounts PJM pays to the MMU. The agreed Schedule 9-MMU is shown in Attachment C to this Settlement Agreement. The Commission's approval of this Settlement Agreement shall constitute full authority for PJM to place Schedule 9-MMU into effect, effective on June 1, 2008.

PJM shall eliminate the costs avoided as a result of externalization of the MMU from its annual budget. PJM has estimated these annual avoided costs at approximately \$4.7 million. The excess collections resulting from these avoided costs shall be included in refunds paid in accordance with the provisions of Paragraph 16 of the "Settlement Agreement and Offer of Settlement" ("Stated Rates Settlement") approved May 26, 2006 by the Commission in Docket No. ER05-1181-000 (115 FERC ¶ 61,249) concerning refunds of excess revenues under Schedules 9-1 through 9-5 of the PJM Tariff. In accordance with the Financial Review, Communications and Reporting Protocol established pursuant to the Stated Rates Settlement and posted on the PJM website, PJM shall review projected refunds with the PJM Finance Committee each calendar quarter.

E. Market Monitoring Services Agreement

PJM and Dr. Bowring have agreed upon, and executed, a Market Monitoring Services Agreement, pursuant to which Dr. Bowring shall establish a separate company to provide market monitoring services in the PJM Region in accordance with Attachment M to the PJM Tariff. The Market Monitoring Services Agreement is set forth in Attachment D to this Settlement Agreement, for the Commission's information. Any

modification of the Market Monitoring Services Agreement by the parties to that Agreement and any successor agreement shall be provided to OPSI, the OPSI Advisory Committee, and the PJM members.

Any successor agreement to the attached Market Monitoring Services Agreement shall, at a minimum, include provisions substantially similar to those set forth in sections 7 (Location and Physical Access), 8 (Data Access), 11 (Dispute Resolution), 17 (Conflicts of Interest), 20 (Intellectual Property), and 26 (Notice) of the attached Market Monitoring Services Agreement; provided, however, that PJM may modify such provisions to reflect Commission policy in effect at such time. Nothing herein requires the primary headquarters and primary operations of any successor MMU to be located at or near the PJM headquarters; however, any such agreement shall include arrangements for some staff of any successor MMU to use space located in close physical proximity to the PJM headquarters. PJM agrees, as part of this Settlement Agreement, that it will submit to the Commission any successor agreement no later than 45 days prior to the effective date of that successor agreement. Nothing in this Settlement Agreement shall preclude any party from arguing that such successor agreement is or is not subject to Commission jurisdiction.

F. Service Level Agreement

PJM and Dr. Bowring have agreed upon a Service Level Agreement, providing the detailed procedures and protocols for PJM's provision of information to the external market monitoring unit established pursuant to the Market Monitoring Services Agreement. The Service Level Agreement is set forth in Attachment E to this Settlement Agreement, for the Commission's information.

III. FILING RIGHTS

Except as expressly set forth in the following paragraph, nothing contained in this Settlement Agreement shall be construed as: (a) affecting in any way PJM's right unilaterally to make application to the FERC for a change in rates, terms and conditions under section 205 of the Federal Power Act; or (b) restricting any rights of the other parties under the Federal Power Act, including rights under section 206.

For a period of six (6) years from the effective date of the attached revisions to Attachment M, if any party to the Commission proceedings in Docket Nos. EL07-56 or EL07-58, Dr. Bowring, or the company established by Dr. Bowring petitions the Commission for a change to Attachment M or Section 18.17.4 of the PJM Operating Agreement (including Schedules 10 and 10A), such change shall, in the absence of agreement of all such entities, be governed by the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *FPC v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956). The foregoing protection shall include the standards and processes set forth in Section III.F of Attachment M at the end of the initial contract term. Notwithstanding the foregoing, if the Commission issues a final rule in Docket No. RM07-19 (or in any other rulemaking proceeding affecting market monitoring) that requires a change to Attachment M or Section 18.17.4 of the PJM Operating Agreement, PJM shall not be precluded by this Settlement Agreement from submitting a compliance filing effecting such change, provided, however, that any such filing shall be limited solely to changes required by the Commission, not discretionary changes made on behalf of PJM or any other person or entity.

IV. APPROVAL OF SETTLEMENT AGREEMENT

The Settling Parties shall cooperate in securing Commission approval of this Settlement Agreement. If the Commission should condition its approval of this Settlement Agreement or seek to require modification of any of the terms of this Settlement Agreement (a “Conditional Approval Order”), any Settling Party (or Dr. Bowring or the company established by him) that objects to such condition or modification shall notify the other Settling Parties in writing of such objection within 7 days after issuance of the Conditional Approval Order, identifying the change or condition and the basis of the party’s objection. Objections not provided within 7 days shall be deemed waived. If any such objection is timely provided, the Settling Parties shall confer (which may be by e-mail, by telephone, or in person) and negotiate in good faith to resolve any such objection in a manner that, if practicable, restores the balance of risks and benefits reflected in this Settlement Agreement as executed. If the Settling Parties can in good faith agree to revisions to the Settlement Agreement to resolve such objections, then such renegotiated settlement agreement shall be filed with the Commission for its approval, in place of the Settlement Agreement as originally executed. If the Settling Parties cannot in good faith agree to revisions to the Settlement Agreement to resolve such objections within 30 days after issuance of a Conditional Approval Order, then the Settlement Agreement as conditioned or modified by the Commission shall govern, and any Settling Party that continues to object to such Commission condition or modification may withdraw from the Settlement Agreement by written notice given to the other Settling Parties within 7 days after the conclusion of good faith negotiations. Upon any such withdrawal, the withdrawing party may exercise any rights available to a party that was not a Settling Party.

V. MISCELLANEOUS PROVISIONS

A. Amendments to the PJM Agreements

The PJM Tariff revisions, PJM Operating Agreement revisions, and other agreements set forth in Attachments A through E to this Settlement Agreement implement the terms and conditions of this Settlement Agreement and are incorporated as part of this Settlement Agreement. To the extent there is a conflict between any provisions of this Settlement Agreement and the attached tariff and agreement provisions, the attached tariff and agreement provisions shall govern.

B. Just and Reasonable Standard

Except as expressly provided in Article III or in connection with a modification to the second paragraph of Section II.E of this Settlement Agreement, the Commission's review of any proposed modifications to this Settlement Agreement shall be based on the just and reasonable standard and not the public interest standard.

C. No Admissions or Precedent

This entire Settlement Agreement, and the Settling Parties' performance of their obligations hereunder, are the result of the settlement and compromise of all the claims and actions expressly addressed in this Settlement Agreement, and neither the Settlement Agreement nor the Settling Parties' performance hereunder shall be deemed to be an admission of any fact or of any liability. This Settlement Agreement shall be binding on the Settling Parties only with respect to the subject matter of this Settlement Agreement, and shall not bind the Settling Parties to apply the principles or provisions of this Settlement Agreement to any other agreement, arrangement, or proceeding. The Settlement Agreement establishes no principles and no precedent with respect to any issue in this proceeding. The acceptance of this Settlement Agreement by the

Commission shall not in any respect constitute a determination by the Commission as to the merits of any allegation or contention made in this proceeding.

D. Entire Agreement

This Settlement Agreement, including any attachments, constitutes the entire agreement between and among the Settling Parties, and no other agreement with regard to the matters addressed in this Settlement Agreement shall be binding on the Settling Parties except by written amendment to this Settlement Agreement. Except for the terms and conditions enumerated in this Settlement Agreement and any attachment hereto, the Settling Parties acknowledge and agree that the Settling Parties have not made any other promises, warranties, or representations to each other or any other Settling Party regarding any aspect of the settlement of the matters addressed in this Settlement Agreement. Each Settling Party acknowledges that it has read this Settlement Agreement and executed it without relying upon any other promise, warranty, or representation, written or otherwise, of any other Settling Party. Each Settling Party acknowledges that no other Settling Party has made any promise, warranty, or representation, express or implied, to induce the Settling Parties to execute this Settlement Agreement.

E. Settlement Discussions

The discussions between the Settling Parties that have produced this Settlement Agreement have been conducted on the explicit understanding, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602, that all settlement communications and discussions shall be privileged and confidential, shall be without prejudice to the position of any Settling Party or participant making such communications or participating in any such discussions, and are not to be used in any

manner in connection with this proceeding, any other proceeding, or otherwise, except to the extent necessary to enforce its terms.

F. Further Assurances

Following execution of this Settlement Agreement, the Settling Parties shall prepare and execute any further pleadings, documents, or amendments to existing or future PJM agreements reasonably necessary to effectuate the Settling Parties' intent under this Settlement Agreement. Any Settling Party may file comments with the Commission supporting this Settlement Agreement, and shall refrain in any such comments from objecting to any term or condition of this Settlement Agreement. Any Settling Party may file comments with the Commission to reply to any party's comments that oppose, or seek conditional approval of, the Settlement Agreement, but shall refrain in any such comments from objecting to any term or condition of this Settlement Agreement.

G. Successors and Assigns

This Settlement Agreement is binding upon and for the benefit of the Settling Parties and their successors and assigns.

H. Authorizations

Each person executing this Settlement Agreement represents and warrants that he or she is duly authorized and empowered to act on behalf of, and to sign for, the Settling Party for whom he or she has signed.

I. Counterparts

This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the 19th of December, 2007.

Allegheny Electric Cooperative, Inc.

/s/
By Robert Weinberg

American Electric Power Service Corp.

/s/
By Monique Rowtham-Kennedy
Senior Counsel

Baltimore Gas and Electric Company

/s/
By Gary E. Guy
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**Borough of Chambersburg,
Pennsylvania**

/s/
By John Michael Adragna
Denise C. Goulet

**Delaware Division of the Public
Advocate**

/s/
By Arthur Padmore, Public Advocate
John Citrolo, Deputy Director

Delaware Public Service Commission

/s/
By Arnetta McRae
Chair

**District of Columbia Public Service
Commission**

**Dominion Resources Services, Inc., on
behalf of Dominion Energy Marketing,
Inc., Elwood Energy, LLC, Fairless
Energy, LLC, Kincaid Generation,
LLC, Virginia Electric and Power
Company d/b/a Dominion Virginia
Power**

/s/

By Sebrina M. Greene
Deputy General Counsel

/s/

By Michael C. Regulinski
Assistant General Counsel

**Edison Mission Group; Edison Mission
Marketing & Trading, Inc.**

Exelon Corporation

/s/

By Reem J. Fahey
Managing Director, Market Policy
Christopher J. Bernard
Vice-President & Associate
General Counsel Regulatory
Affairs, Marketing & Trading

/s/

By Elizabeth A. Moler
Executive Vice President

**FirstEnergy Service Company on
behalf of Jersey Central Power &
Light Company, Metropolitan Edison
Company, Pennsylvania Electric
Company, and FirstEnergy Solutions
Corp. (“the Designated FirstEnergy
Affiliates”)**

**FPL Energy Marcus Hook, L.P., North
Jersey Energy Associates, L.P., Doswell
Limited Partnership, Backbone
Mountain Windpower LLC, Mill Run
Windpower LLC, Somerset
Windpower LLC, Meyersdale
Windpower LLC, Waymart Wind
Farm L.P., Pennsylvania Windfarms,
Inc. (together “FPL Energy
Generators”)**

/s/

By Morgan E. Parke
Attorney

/s/

By Stephen Huntoon
Attorney for FPL Energy Generators

**Indiana Office of Utility Consumer
Counselor**

/s/
By Robert G. Mork
Deputy Consumer Counselor for
Federal Affairs

Indiana Utility Regulatory Commission

/s/
By William G. Devine
Deputy General Counsel

Kentucky Public Service Commission

/s/
By Mark David Goss
Chairman

Maryland Public Service Commission

/s/
By Douglas R. M. Nazarian
General Counsel

New Jersey Board of Public Utilities

/s/
By Margaret Comes
Deputy Attorney General

North Carolina Utilities Commission

/s/
By Louis S. Watson, Jr.
Staff Attorney

**NRG Power Marketing Inc.,
Conemaugh Power LLC, Indian River
Power LLC, Keystone Power LLC,
NRG Energy Center Dover LLC, NRG
Energy Center Paxton LLC, NRG
Rockford LLC, NRG Rockford II
LLC, and Vienna Power LLC
(collectively the “NRG Companies”)**

/s/
By Pati Esposito
Director Regulatory Affairs, PJM

Organization of PJM States, Inc.

/s/
By William H. Chambliss
John A. Levin

**Pennsylvania Public Utility
Commission**

/s/
By John A. Levin
Assistant Counsel

PJM Industrial Customer Coalition

/s/
By Robert A. Weishaar, Jr.

PJM Interconnection, L.L.C.

/s/
By Barry S. Spector
Counsel

**PSEG Power LLC, PSEG Energy
Resources & Trade LLC; Public
Service Electric and Gas Company
(collectively “PSEG Companies”)**

/s/
By Tamara Linde
Vice President - Regulatory

Public Utilities Commission of Ohio

/s/
By Thomas G. Lindgren
Assistant Attorney General

**Virginia State Corporation
Commission**

/s/
By Frederick D. Ochsenhirt
Attorney
William H. Chambliss
General Counsel

Attachment A

Redline and Non-Redline Versions of Revisions to Attachment M of the PJM Tariff

Tariff Revisions
Attachment M
Redline Version

ATTACHMENT M

PJM MARKET MONITORING PLAN

I. OBJECTIVES

The objectives of this PJM Market Monitoring Plan are to maintain an independent Market Monitoring Unit that will objectively monitor, investigate, evaluate and report on the PJM Markets, including, but not limited to, structural, design or operational flaws in the PJM Markets or the exercise of market power or manipulation in the PJM Markets. The Market Monitoring Unit shall pursue: ~~(1) monitor and report on issues relating to the operation of the PJM Market, including the determination of transmission congestion costs or the potential of any Market Participant(s) to exercise market power within the PJM Region; (2) evaluate the operation of both pool and bilateral markets to detect either design flaws in the PJM Market operating rules, standards, procedures, or practices as set forth in the PJM Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreement, The Reliability Assurance Agreement South, the Reliability Assurance Agreement West, the PJM Manuals, or PJM Regional Practices Document or to detect structural problems in the PJM Market that may need to be addressed in future filings; (3) evaluate any proposed enforcement mechanisms that are necessary to assure compliance with pool rules; and (4) ensure that the monitoring program will be conducted in an independent and objective manner. The Plan also prescribes reporting procedures that PJM will use to inform governmental agencies and others concerning its market monitoring activities.~~

~~Consistent with the PJM Operating Agreement, PJM will carry out these objectives in a manner consistent with the safe and reliable operation of the PJM Region, the creation and operation of a robust, competitive, and non-discriminatory electric power market in the PJM Region, and the principle that a Member or group of Members shall not have undue influence over the operation of the PJM Market.~~

~~This Plan applies~~ this Attachment M and all applicable PJM Market Rules, PJM Manuals, and PJM committee procedures. This Plan shall apply to PJM, the Market Monitor, the Market Monitoring Unit, Market Participants, and all entities that take service under the PJM Tariff.

II. DEFINITIONS

Unless the context otherwise requires, for purposes of this Plan, capitalized terms shall have the meanings given below or in Section I of the PJM Tariff.

(a) **“Authorized Government Agency”** means a regulatory body or government agency, with jurisdiction over PJM, the PJM Market, or any entity doing business in the PJM Market, including, but not limited to, the Commission, State Commissions, ~~state utility commissions~~, and state and federal attorneys general.

(b) **“Commission”** means the Federal Energy Regulatory Commission.

~~(c)~~ **“Corrective Action”** means an action set forth in section IV I of this Plan.

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(de) **“FERC Market Rules”** means the market behavior rules and the prohibition against electric energy market manipulation codified by the Commission in its Rules and Regulations at 18 CFR §§ 1c.2 and 35.37, respectively; the Commission-approved PJM Market Rules and any related proscriptions or any successor rules that the Commission from time to time may issue, approve or otherwise establish.

(e) “Market Monitor” means the head of the Market Monitoring Unit.

~~(f)~~ “Market Monitoring Unit” or “MMU” means the organization within PJM that is responsible for implementing this Plan, including the Market Monitor.

(f) “Market Monitoring Unit Advisory Committee” or “MMU Advisory Committee” means the committee established under Section III.H.

~~(h)~~ “Market Participant” means an entity that generates, transmits, distributes, purchases, or sells electricity, or provides ancillary services, with respect to such services (or contracts to perform any of the foregoing activities) or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region. “Market Participant” shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale.

(i) **“OPSI Advisory Committee”** means the committee established under Section III.G.

(j) **“PJM”** means PJM Interconnection, L.L.C., including the Office of the Interconnection as referenced in the PJM Operating Agreement.

(k) **“PJM Board”** means the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.

(l) **“PJM Entities”** means PJM, including the Market Monitoring Unit, the PJM Board, and PJM’s officers, employees, representatives, advisors, contractors, and consultants.

(m) **“PJM Liaison”** means the liaison established under Section III.I.

(n) **“PJM Management”** means the officers, executives, supervisors and employee managers of PJM.

(o) **“PJM Manuals”** means those documents, including business rules, produced by PJM that describe detailed PJM operating and accounting procedures that are made publicly available in hard copy and on the Internet.

(p) **“PJM Markets”** means the PJM Interchange Energy and Capacity Markets, including the RPM auctions, Market together with all bilateral or other wholesale electric power and energy transactions, capacity transactions, ancillary services transactions, (including black start service), ~~and~~ transmission transactions and any other market operated under the PJM Tariff or Operating Agreement within the PJM Region.

(q) **“PJM Market Rules”** mean the rules, standards, procedures, and practices of the PJM Markets set forth in the PJM Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreements, the PJM Consolidated Transmission Owners Agreement, the PJM Manuals, the PJM Regional Practices Document, ~~and~~ the PJM-Midwest Independent Transmission System Operator Joint Operating Agreement or any other document setting forth market rules.

(r) **“PJM Operating Agreement”** means the Amended and Restated Operating Agreement of PJM on file with the Commission.

(s) **“PJM Regional Practices Document”** means the document of that title that compiles and describes the practices in the PJM Markets and that is made available in hard copy and on the Internet.

(~~u~~) **“PJM Reliability Assurance Agreements”** means the Reliability Assurance Agreement among Load Serving Entities in the PJM Region Control Area, ~~the PJM South Reliability Assurance Agreement among Load Serving Entities in the PJM South Region, and the PJM West Reliability Assurance Agreement among Load Serving Entities in the PJM West Region, each~~ on file with the Commission.

(~~u~~) **“PJM Tariff”** means the Open Access Transmission Tariff of PJM on file with the Commission.

(~~v~~) **“PJM Transmission Owners Agreement”** means the PJM Consolidated Transmission Owners Agreement on file with the Commission.

(~~w~~) **“Plan”** means the PJM market monitoring plan set forth in this Attachment M.

(~~x~~) **“State”** means the District of Columbia and any state or commonwealth in the PJM Region. ~~“President” means the President and Chief Executive Officer of PJM.~~

(~~y~~) **“State Commission”** means any state regulatory agency having jurisdiction over retail electricity sales in any State in the PJM Region.

~~III. MONITORED ACTIVITIES~~

III. MARKET MONITORING UNIT

A. Establishment: PJM shall establish or retain a Market Monitoring Unit to perform the functions set forth in this Plan.

B. Composition: The Market Monitoring Unit shall be comprised of personnel having the experience and qualifications necessary to implement this Plan. In carrying out its responsibilities, the Market Monitoring Unit may retain such consultants, attorneys and experts as it deems necessary.

C. Independence: The Market Monitoring Unit shall be independent from, and not subject to, the direction or supervision of any person or entity, with the exception of the PJM Board as specified in Section III.D, and the Commission. No person or entity shall have the right to preview, screen, alter, delete, or otherwise exercise editorial control over or delay Market Monitoring Unit actions or investigations or the findings, conclusions, and recommendations developed by the Market Monitoring Unit that fall within the scope of market monitoring responsibilities contained in this Plan. Nothing in this section shall be interpreted to exempt the Market Monitoring Unit from any applicable provision of state or federal law.

D. Role of PJM Board:

1. The PJM Board shall have the authority and responsibility:

a. To review the budget of the Market Monitoring Unit, consistent with the budget processes and requirements set forth in Section III.E.

b. To propose to terminate, retain by contract renewal or replace the Market Monitoring Unit, consistent with the requirements of Section III.F.

2. The PJM Board and the Market Monitor shall meet and confer from time to time on matters relevant to the discharge of the PJM Board's and the Market Monitoring Unit's duties under this Plan.

3. Other than the matters set forth in Sections III.D.1 and D.2, the PJM Board shall have no responsibility for, or authority over, the Market Monitoring Unit.

E. Budget:

1. Preparation: The Market Monitor shall prepare a budget each year of its expenses on an accrual basis in accordance with generally accepted accounting principles that is sufficient to cover the anticipated actual costs to perform the services under this Plan, including, but not limited to, salary and benefits, rent and utilities, interest, depreciation and other operating expenses.

2. Review: The Market Monitor shall, not later than September 15, submit a draft budget to the Finance Committee, OPSI Advisory Committee, and PJM Board for review and comment. The draft budget shall include total labor compensation, non-employee labor expense, current full-time employee and contractor head count, depreciation expense, interest expense, technology expense, other expense and capital spending, including a level of supporting detail consistent with that provided by PJM in its annual budget review to the Finance Committee. The draft budget shall also be made available for inspection by the PJM members. The Finance Committee, OPSI Advisory Committee, and PJM Board shall have until October 15 to request changes in the budget. The Market Monitor shall consider those requests and, if they are not accepted by the Market Monitor, it shall provide, in writing, to the foregoing and to PJM members, an explanation of the reasons they are not acceptable. If, after discussing requested changes with such entities, there is no remaining dispute over such requested changes, the mutually agreeable budget shall go into effect on January 1 of the subsequent year.

3. Commission Action: If despite the foregoing process, there remains a dispute regarding the budget, PJM shall, not later than November 1, file the Market Monitor's proposed budget with the Commission for resolution of the dispute. PJM shall accompany such filing with an explanation of the nature of the dispute and any position of the PJM Board on such dispute. Any interested person may also file comments on such dispute. The fact that PJM is submitting the dispute for Commission review shall not be deemed to provide the views of the PJM Board any special weight, nor subject them to any special burden of proof. If the Commission has not taken action by December 31, the Market Monitor's proposed budget, filed by PJM, shall take effect, subject to any subsequent Commission order.

4. Intra-year Amendments to the Budget: If the Market Monitor requires an intra-year amendment to the budget to perform its functions under the Plan, it shall provide the proposed amendment, the reasons for the proposed amendment and reasonable supporting detail to the Finance Committee, OPSI Advisory Committee and the PJM Board for review and comment, and if any dispute regarding such proposed amendment remains 30 days thereafter, PJM shall file the proposed budget amendment with the Commission for resolution of the dispute. The proposed budget amendment and supporting explanation shall also be made available for inspection by the PJM members.

5. Rates:- The Market Monitor's approved budget shall be collected pursuant to Schedule 9-MMU of the PJM Tariff.

F. Term and Termination:

1. Term: Upon the effective date of this revised Attachment M, there shall be a contract between PJM and the Market Monitoring Unit that has an initial term of six (6) years. Upon the expiration of that initial six (6) year term, the contract may be renewed for subsequent term(s) of three (3) years if both parties agree. If the PJM Board does not agree to renew the contract at the end of its term, it may propose to terminate the contract pursuant to the standards and processes set forth below.

2. Standards for Proposed Termination:

a. Termination During Contract Term. During the term of any contract with the Market Monitoring Unit, the PJM Board may propose to terminate the contract as follows:

(1) During the first three (3) years following the effective date of this revised Attachment M, the PJM Board may propose to terminate the contract with the Market Monitoring Unit upon a determination of willful misconduct or gross negligence by the Market Monitoring Unit.

(2) Following the expiration of this initial three (3) year period, the PJM Board may, during the term of any contract with the Market Monitoring Unit (or any successor Market Monitoring Unit), propose to terminate the contract with the Market Monitoring Unit upon a determination that the Market Monitoring Unit has not adequately performed its functions set forth in this Plan.

b. Termination at End of Contract Term. At the end of the term of any contract with the Market Monitoring Unit, the PJM Board may propose to terminate the contract with the Market Monitoring Unit (or any successor Market Monitoring Unit) (1) upon a determination that the Market Monitoring Unit has not adequately performed the functions set forth in this Plan, or (2) pursuant to an open, nondiscriminatory and transparent request for proposals.

3. Process for Proposed Termination and Replacement:

a. Notice. If the PJM Board proposes to terminate the contract with the Market Monitoring Unit pursuant to the standards set forth in Section III.F.2, it shall provide one hundred twenty (120) days prior notice to the Market Monitoring Unit, the OPSI Advisory Committee, MMU Advisory Committee and the PJM members.

b. Contents of Notice. The notice shall include the following information:

(1) If the PJM Board proposes to terminate the contract with the Market Monitoring Unit based on willful misconduct or gross negligence, it shall set forth in detail the conduct that supports such determination and shall propose an open and transparent process (such as a request for proposals) for selecting a new Market Monitoring Unit.

(2) If the PJM Board proposes to terminate the contract with the Market Monitoring Unit because it has not adequately performed its functions under this Plan, it shall set forth in detail the performance deficiencies that support that determination and shall propose an open and transparent process (such as a request for proposals) for selecting a new Market Monitoring Unit.

(3) If the PJM Board proposes to conduct a request for proposals to determine whether to replace the Market Monitoring Unit at the end of a contract term, it shall propose an open, nondiscriminatory and transparent request for proposals and shall allow the existing Market Monitoring Unit to submit a bid or proposal in that process. Any such notice shall set forth in detail the criteria applicable to such request for proposals. Such criteria shall be subject to comment as provided in Section III.F.3.c and subject to approval by the Commission.

c. Comments on the Notice. Within forty-five (45) days of any such notice, the Market Monitoring Unit, the OPSI Advisory Committee, MMU Advisory Committee, any PJM member or any stakeholder may provide advice or comment to the PJM Board regarding the proposed termination and/or the proposed process for selecting a new Market Monitoring Unit. The PJM Board shall take such advice or comment into account in reaching a final determination as to whether to propose to terminate the contract with the Market Monitoring Unit and, if so, the process for selecting a new Market Monitoring Unit.

d. FERC Filing. Upon the expiration of the one hundred twenty (120) day prior notice period, the PJM Board may, after considering the advice and comment provided pursuant to Section III.F.3.c, propose in a filing to FERC that the contract with the Market Monitoring Unit be terminated. Any such proposal shall include a detailed explanation of the reasons therefor, including an explanation of why the standards set forth in Section III.F.2 have been satisfied, and an open, nondiscriminatory and transparent process for selecting a new

Market Monitoring Unit. The Market Monitoring Unit, OPSI Advisory Committee and any interested stakeholder may submit to FERC such comments, protests or other documents and advice as appropriate on such filing.

e. Termination. The contract with the Market Monitoring Unit shall not be terminated until (1) FERC has reviewed a termination proposal by the PJM Board and any comments or protests submitted by interested parties thereon (including the OPSI Advisory Committee), (2) FERC has made a finding that the PJM Board has demonstrated that termination is justified pursuant to the standards set forth in Section III.F.2 above, (3) FERC has approved a process for selecting a new Market Monitoring Unit, and (4) a new Market Monitoring Unit has been selected pursuant to such FERC-approved process.

G. OPSI Advisory Committee: There shall be an OPSI Advisory Committee comprised of five (5) representatives appointed by the Organization of PJM States, Inc. The OPSI Advisory Committee shall meet with the Market Monitoring Unit on a regular basis and as otherwise necessary to receive and discuss information relevant to this Plan. In addition to the specific responsibilities regarding budget and termination set forth in Sections III.E and III.F, the OPSI Advisory Committee may provide advice to the Commission, Market Monitor, the PJM Board, stakeholder committees, and stakeholder working groups regarding any matter concerning the Market Monitor, Market Monitoring Unit or Market Monitoring Plan. Any formal advice shall be in writing and, subject to confidentiality provisions, shall be made publicly available.

H. Market Monitoring Unit Advisory Committee: There shall be an MMU Advisory Committee, chaired by the Market Monitor, that is open to all stakeholders and representatives of Authorized Government Agencies. The MMU Advisory Committee shall act as a liaison between stakeholders and the MMU and shall provide advice from time to time on matters relevant to the MMU's responsibilities under this Plan. The MMU Advisory Committee shall have no authority to direct, supervise, review, or otherwise interfere with the functions of the MMU under this Plan, nor any authority to terminate or propose to terminate the Market Monitor.

I. PJM Liaison: PJM may appoint an employee to act as liaison with the Market Monitoring Unit. The function of the liaison will be to facilitate communications between PJM employees and the Market Monitoring Unit, as defined in Section V.E.

IV. MARKET MONITORING UNIT FUNCTIONS AND RESPONSIBILITIES

A. General: The Market Monitoring Unit shall objectively monitor the competitiveness of PJM Markets, investigate violations of FERC or PJM Market Rules, recommend changes to PJM Market Rules, prepare reports for the Authorized Government Agencies and take such other actions as are specified in this Plan.

B. Monitored Activities: The Market Monitoring Unit shall be responsible for monitoring the following:

- 1A.** Compliance with the PJM Market Rules.
- 2B.** Actual or potential design flaws in the PJM Market Rules.
- 3C.** Structural problems in the PJM Markets that may inhibit a robust and competitive market.
- 4D.** The potential for a Market Participant to exercise market power or violate any of the PJM or FERC Market Rules or the actual exercise of market power or violation of the PJM or FERC Market Rules.
- 5.** PJM's implementation of the PJM Market Rules or operation of the PJM Markets, as further set forth in Section IV.C.
- 6.** Such matters as are necessary to prepare the reports set forth in Section VI.

C. Monitoring of PJM: The Market Monitoring Unit shall monitor PJM's implementation of the PJM Market Rules and operation of the PJM Markets. If the Market Monitoring Unit disagrees with the implementation of the PJM Market Rules or the operation of the PJM Markets, the Market Monitoring Unit may so advise PJM. Excepting matters governed by Section IV.I, if the disagreement cannot be resolved informally, the Market Monitoring Unit may inform the Commission, Authorized Government Agencies, or the PJM members. The Market Monitoring Unit shall have no authority to direct PJM to modify its operation of the PJM Markets or implementation of the PJM Market Rules.

D. Market Design: PJM is responsible for proposing for approval by the Commission, consistent with tariff procedures and applicable law, changes to the design of the PJM Markets. If the Market Monitoring Unit detects a design flaw or other problem with the PJM Markets, the Market Monitoring Unit may initiate and propose, through the appropriate stakeholder processes, changes to the design of such market. In support of this function, the Market Monitoring Unit may engage in discussions with stakeholders, State Commissions, PJM Management, or the PJM Board; participate in PJM stakeholder meetings or working groups regarding market design matters; publish proposals, reports or studies on such market design issues; and make filings with the Commission on market design issues.

E. Mitigation: The Market Monitoring Unit may, consistent with the PJM Market Rules, recommend to PJM that it take specific mitigation action that PJM is authorized to take under the PJM Market Rules to address market behavior or conditions. The Market Monitoring Unit shall not, however, have authority to require modification of PJM operational decisions, including dispatch instructions. If PJM does not accept the Market Monitoring Unit's

recommendations regarding mitigation actions, the Market Monitoring Unit may report its mitigation recommendation to the Authorized Government Agencies, Commission staff, State Commissions or the PJM members, as the Market Monitoring Unit deems appropriate. Nothing in this Plan shall be deemed to supersede any authority the Market Monitoring Unit may have under the PJM Market Rules, nor shall anything in this Plan preclude any person or entity from seeking to modify such authority in a filing with the Commission.

F. Studies or Reports for State Commissions: Upon request in writing by the OPSI Advisory Committee, the Market Monitoring Unit may, in its discretion, provide such studies or reports on wholesale market issues, including wholesale market transactions occurring under a state-administered auction process, as may affect one or more states within the PJM area. Any such request for such a study or report, as well as any resulting study or report, shall be made simultaneously available to the public, with simultaneous notice to PJM members, subject to the protection of confidential information.

G. Participation in Stakeholder Processes: The Market Monitoring Unit may, as it deems appropriate or necessary to perform its functions under this Plan, participate (consistent with the rules applicable to all PJM stakeholders) in stakeholder working groups, committees or other PJM stakeholder processes.

H. Referrals to State Commissions: If during the ordinary course of its activities the Market Monitoring Unit discovers evidence of wrongdoing (other than minor misconduct) that the Market Monitor reasonably believes to be within a State Commission's jurisdiction, the Market Monitoring Unit shall report such information to the State Commission(s).

I. Corrective Actions

~~IV. CORRECTIVE ACTIONS~~

~~**1.A. Required Notice to Commission:** Immediately upon determining that it has identified a significant market problem or a potential violation by a Market Participant or PJM of the PJM Market Rules or any of the FERC Market Rules that may require (a) a change in the PJM Market Rules, (b) further inquiry by the Market Monitoring Unit, (c) referral for investigation by the Commission and/or (d) action by the Commission ~~or one or more state commissions~~, the Market Monitoring Unit shall notify the Commission's Office of Enforcement (or any successor), either orally or in writing. Nothing in this Section IV. 1.A shall limit the ability of the Market Monitoring Unit to engage in discussions with any such Market Participant as provided in Section IV. 1.C.1.~~

~~**2.B. Required Referral to Commission:** In addition to the notification provided in section IV. 1.A. above, where the Market Monitoring Unit has reason to believe, based on sufficient credible information, that a Market Participant or PJM has either violated (a) a PJM Market Rule, or (b) any of the FERC Market Rules, the Market Monitoring Unit will refer the matter to the Commission's Division of Investigations (or any successor) in the manner described below. The foregoing notwithstanding, a clear,~~

objectively identifiable violation of a PJM Market Rule, where such rule provides for an explicit remedy that has been accepted by the Commission and can be administered by PJM, shall not be subject to the provisions of this section IV. ~~1.2B~~.

Such a referral ~~to the Commission~~ shall be in writing, shall be non-public and should include, but need not be limited to, the following information:

~~a1.~~ The name(s) of and, if possible, the contact information for, the ~~M~~market ~~P~~participants that allegedly took the action(s) that constitute that alleged ~~m~~Market ~~v~~Violation(s);

~~b2.~~ The date(s) or time period during which the alleged ~~m~~Market ~~v~~Violation(s) occurred and whether the alleged wrongful conduct is ongoing;

~~c3.~~ The specific PJM Market Rules, FERC Market Rule(s) and/or tariff provision(s) that were allegedly violated;

~~d4.~~ The specific act(s) or conduct that allegedly violated the PJM Market Rules or the FERC Market Rules ~~or tariff~~;

~~e5.~~ The consequences in the market resulting from the act(s) or conduct, including, if known, an estimate of economic impact on the market;

~~f6.~~ If the Market Monitoring Unit believes that the act(s) or conduct constituted manipulative behavior in violation of the FERC Market Rules and/or PJM Market Rules, a description of the alleged manipulative effect on market prices, market conditions, or market rules; and

~~g7.~~ Any other information that the Market Monitoring Unit believes is relevant and may be helpful to the Commission.

Following the submission of such a referral, the Market Monitoring Unit will continue to inform the Commission~~'s~~ staff of any information relating to the referral that it discovers within the scope of its regular monitoring function, but it shall not undertake any investigative steps regarding the referral except at the express direction of the Commission~~'s~~ staff.

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J~~C~~. Additional Market Monitoring Unit Authority: In addition to notifications and referrals under Sections IV.I.1~~A~~ and IV.I.2~~B~~, respectively, the Market Monitoring Unit shall have the additional authority described in this section, as follows: ~~may take the following additional actions, to the extent it deems necessary, as a result of its monitoring activities:~~

1. Engage in discussions ~~with Market Participants~~ regarding issues relating to ~~their possible violations of~~ the PJM Market Rules or FERC Market Rules, in order to understand such issues and to attempt to resolve informally such issues or other issues ~~with Market Participants~~.

2. Excepting matters governed by Section IV.I, file reports and make appropriate regulatory filings ~~Recommend to the appropriate entity (including, if and as appropriate, PJM committees, the PJM Board, or the Commission) modifications to the PJM Market Rules. This recommendation may be made in the form of a written or oral report to the appropriate entity.~~

~~3. With the approval of the PJM Board, file reports or complaints with Authorized Government Agencies or make other appropriate regulatory filings to address design flaws, structural problems, compliance, market power, or other issues, and seek such appropriate action or make such recommendations as the Market Monitoring Unit shall deem appropriate.~~

~~4. If PJM does not follow the Market Monitoring Unit's recommendations by filing requested rule changes or complaints with the Commission, t~~The Market Monitoring Unit shall make its views known to the Commission staff and the PJM Members, either orally or in writing, such filings or reports publicly available and provide simultaneous notice of the existence of reports to the PJM members and PJM, subject to protection of confidential information.

~~35.~~ Consult with Authorized Government Agencies concerning the need for specific investigations or monitoring activities.

46. Consider and evaluate a broad range of additional enforcement mechanisms that may be necessary to assure compliance with the PJM Market Rules. As part of this evaluation process, the Market Monitoring Unit shall consult with Authorized Government Agencies and other interested parties.

57. Report directly to the Commission staff on any matter.

K~~D~~. Confidentiality:

1. All discussions between the Market Monitoring Unit and Market Participants concerning the informal resolution of compliance issues initially shall remain confidential, subject to the provisions in subsection IV.K~~D~~.3.

2. Except as provided in subsection IV.K~~D~~.3, in exercising its authority to take Corrective Actions, the Market Monitoring Unit shall observe the confidentiality provisions of the PJM Operating Agreement.

3. Notwithstanding anything to the contrary in this Plan or the PJM Operating Agreement, the Market Monitoring Unit: (a) may disclose any information to the Commission in connection with the reporting required under Sections IV.1.1A and IV.1.2B of this ~~the~~ Plan, provided that any written submission to

the Commission that includes information that is confidential under the PJM Operating Agreement shall be accompanied by a request that the information be maintained as confidential, and (b) may make reports, ~~complaints~~, or other regulatory filings pursuant to ~~s~~Section IV, ~~J~~~~E~~ or ~~V~~~~H~~ of this Plan if accompanied by a request that information that is confidential under the PJM Operating Agreement be maintained as confidential.

V. INFORMATION AND DATA ~~MARKET MONITORING UNIT~~

~~A. Establishment: PJM shall establish, and provide appropriate staffing and resources to, the Marketing Monitoring Unit, an organization within PJM that shall be responsible for implementing this Plan.~~

~~B. Composition: The Market Monitoring Unit shall be comprised of full-time employees of PJM having the experience and qualifications necessary to implement this Plan. In carrying out its responsibilities, the Market Monitoring Unit may retain such consultants and experts as it deems necessary, subject to the oversight of the President and/or the PJM Board.~~

~~C. Accountability and Responsibilities: The Market Monitoring Unit shall be accountable to the President and the PJM Board regarding the implementation of this Plan.~~

~~D. Resources: The President shall ensure that the Market Monitoring Unit has adequate resources, access to required information, and cooperation of PJM for the effective functioning of the Market Monitoring Unit.~~

~~E. Referral by President and Market Monitoring Unit: To the extent that they deem desirable, the President and Market Monitoring Unit shall each have independent authority to refer any matters governed by this Plan to the PJM Board for review or approval.~~

VI. SPECIFIC MONITORING FUNCTIONS

A. Primary Information Sources: The Market Monitoring Unit shall rely primarily upon data and information that are ~~is~~ customarily gathered in the normal course of business of PJM and along with such publicly available data and information that may be helpful to accomplish the objectives of the Plan, including, ~~The data and information available to the Market Monitoring Unit shall include~~, but not ~~be~~ limited to, (1) information gathered or generated by PJM in connection with its scheduling and dispatch functions, its operation of the transmission grid in the PJM Region, or its determination of Locational Marginal Prices, (2) information required to be provided to PJM in accordance with the PJM Market Rules and (3) Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreements, the Reliability Assurance Agreement South and the Reliability Assurance Agreement West and any other information that is generated by, provided to, or in the possession of PJM. The foregoing information shall be provided to the Market Monitoring Unit as soon as practicable, including, but not limited to, real-time access to scheduling, dispatch and other operational data.

B. Other Information Requests: If other information is required from a Market Participant, the Market Monitoring Unit shall comply with the following procedures:

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1. Request for Additional Data: If the Market Monitoring Unit determines that additional information is required to accomplish the objectives of the Plan, the Market Monitoring Unit may make reasonable requests of ~~request~~ the entities possessing such information to provide the information ~~on a voluntary basis~~. Any such request for additional information will be accompanied by an explanation of the need for the information and the Market Monitoring Unit's inability to acquire the information from alternate sources.

2. Failure to Comply with Request: The information request recipient shall provide the Market Monitoring Unit with all information that is reasonably requested. If an information request recipient does not provide requested information within a reasonable time, the Market Monitoring Unit may initiate such regulatory or judicial proceedings to compel the production of such information as may be available and deemed appropriate by the Market Monitoring Unit, including petitioning the Commission for an order that the information is necessary and directing its production. An information request recipient shall have the right to respond to any such petitions and participate in the proceedings thereon.

3. Information Concerning Possible Undue Preference: Notwithstanding subsection V.B.1, if the Market Monitoring Unit requests information relating to possible undue preference between Transmission Owners and their affiliates, Transmission Owners and their affiliates must provide requested information to the Market Monitoring Unit within a reasonable time, as specified by the Market Monitoring Unit; provided, however, that an information request recipient may petition the Commission for an order limiting all or part of the information request, in which event the Commission's order on the petition shall determine the extent of the information request recipient's obligation to comply with the disputed portion of the information request.

4. Confidentiality: Except as provided in ~~s~~Section IV K.D.3 of this Plan, the Market Monitoring Unit shall observe the confidentiality provisions of the PJM Operating Agreement with respect to information provided under this section if an entity providing the information designates it as confidential.

C. Complaints: Any Market Participant or other interested entity may at any time submit information to the Market Monitoring Unit concerning any matter relevant to the Market Monitoring Unit's responsibilities under the Plan, or may request the Market Monitoring Unit to make inquiry or take any action contemplated by the Plan. Such submissions or requests may be made on a confidential basis. The Market Monitoring Unit may request further information from such Market Participant or other entity and make such inquiry as that ~~as that~~ the Market Monitoring Unit considers appropriate. The ~~Neither the~~ Market Monitoring Unit ~~nor PJM Board~~ shall not be required to act with respect to any specific complaint unless the Market Monitoring Unit ~~or, if appropriate, the PJM Board,~~ determines action to be warranted.

D. Collection and Availability of Information: The Market Monitoring Unit shall regularly collect and maintain under its sole control the information that it deems necessary for implementing the Plan. The Market Monitoring Unit shall make publicly available a detailed description of the categories of data collected by the Market Monitoring Unit. To the extent it deems appropriate and upon specific request, the Market Monitoring Unit may release other data to the public, consistent with ~~the PJM's~~ obligations of the Market Monitoring Unit and PJM to protect confidential, proprietary, or commercially sensitive information.

E. Access to Personnel and Facilities: The Market Monitoring Unit shall have access to PJM personnel and facilities as necessary to perform the functions set forth in this Plan. If the Market Monitoring Unit seeks data or other information from PJM personnel, it may contact the appropriate personnel that may be in possession of such data or information. If the Market Monitoring Unit seeks a formal opinion or position on a matter from PJM, it shall contact the PJM Liaison or appropriate senior management official to provide such opinion or position.

FE. Market Monitoring Indices: The Market Monitoring Unit shall develop, and shall refine on the basis of experience, indices or other standards to evaluate the information that it collects and maintains. Prior to using any such index or standard, the Market Monitoring Unit shall provide PJM ~~m~~Members, Authorized Government Agencies, and other interested parties an opportunity to comment on the appropriateness of such index or standard. Following such opportunity for comments, the decision to use any index or standard shall be solely that of the Market Monitoring Unit.

GF. Evaluation of Information: The Market Monitoring Unit shall evaluate, and shall refine on the basis of experience, the information it collects and maintains, or that it receives from other sources, regarding the operation of the PJM Markets or other matters relevant to the Plan. As so evaluated, such information shall provide the basis for reports or other actions of the Market Monitoring Unit under this Plan.

VII. REPORTS

A. Reports to the PJM Board: The Market Monitoring Unit shall prepare and submit contemporaneously to the Commission, the State Commissions, the PJM Board, PJM Management and to the PJM Members Committee, annual state-of-the-market reports on the state of competition within, and the efficiency of, the PJM Markets. In such reports, the Market Monitoring Unit may make recommendations regarding any matter within its purview. These reports shall address, among other things, the extent to which prices in the PJM Markets reflect competitive outcomes, the structural competitiveness of the PJM Markets, the effectiveness of bid mitigation rules, and the effectiveness of the PJM Markets in signaling infrastructure investment. These reports ~~The reports to the PJM Board~~ shall include recommendations as to whether changes to the Market Monitoring Unit or the Plan are required. In addition, the Market Monitoring Unit shall provide to the PJM Board, in a timely manner, copies of any reports submitted to Authorized Government Agencies pursuant to Section VI.B. The Market Monitoring Unit may from time-to-time prepare and submit additional reports to the

Commission, the PJM Board and PJM Members Committee as the Market Monitoring Unit may deem appropriate in the discharge of its responsibilities under the Plan~~Section III~~ hereof.

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 19, 2007

Effective: June 1, 2008

B. Reports to Authorized Government Agencies: The Market~~ing~~ Monitoring Unit shall contemporaneously submit to the Authorized Government Agencies the reports provided to the PJM Board pursuant to Section VI.A. Subject to applicable law and regulation and any other applicable provisions of the PJM Operating Agreement or PJM Tariff, the Market Monitoring Unit shall, to the extent practicable, respond to reasonable requests by Authorized Government Agencies other than the Commission for reports ~~provided to the PJM Board~~, subject to protection of confidential, proprietary and commercially sensitive information, ~~and~~ the protection of the confidentiality of ongoing inquiries and monitoring activities, and the availability of resources.

C. Public Reports: The Market Monitoring Unit shall prepare a detailed public annual report about the Market Monitoring Unit's activities, subject to protection of confidential, proprietary, and commercially sensitive information and the protection of the confidentiality of ongoing investigations and monitoring activities. The Market Monitoring Unit may, instead of filing a separate report, include the referenced material in a report filed pursuant to Section VI.A hereof.

VIII. AUDIT

The activities of the Market Monitoring Unit shall be audited by a nationally recognized independent third party auditor selected by the Market Monitor. The audit shall include, but not be limited to, a review of whether MMU expenditures were for purposes consistent with the functions set forth in this Plan. The audit report shall be provided to the PJM Board, Market Monitoring Unit, OPSI, OPSI Advisory Committee and PJM members subject to the protection of confidential information. ~~in accordance with procedures adopted from time to time by the PJM Board.~~

VIII. **LIMITATION OF LIABILITY**

Any liability of PJM arising under or in relation to this Plan shall be subject to this Section ~~VIII~~. The PJM Entities shall not be liable to any Market Participant, any party to the PJM Operating Agreement, any customer under the PJM Tariff, or any other person subject to this Plan in respect of any matter described in or contemplated by this Plan, as the same may be amended or supplemented from time to time, including but not limited to liability for any financial loss, loss of economic advantage, opportunity cost, or actual or consequential damages of any kind resulting from or attributable to any act or omission of any of the PJM Entities under this Plan. Neither the OPSI Advisory Committee nor any State Commission (including commissioners and staff persons) shall be liable to any person under this Plan for any financial loss, loss of economic advantage, opportunity cost, or actual or consequential damages associated with performing any of its functions or duties under this Plan.

IX. **OTHER RELIEF NOT FORECLOSED ALTERNATIVE DISPUTE RESOLUTION**

~~A. — **Preservation of Rights:** Nothing herein shall prevent PJM or any other person from asserting any rights it may have under the Federal Power Act or any other applicable law, statute, or regulation, including the filing of a petition with or otherwise initiating a proceeding before the Commission regarding any matter which is the subject of this Plan.~~

~~B. — **Alternative Alternate Dispute Resolution:** Notwithstanding any provision of the PJM Tariff or the PJM Operating Agreement, PJM and the Market Monitoring Unit shall not be required to use the dispute resolution procedures in the PJM Tariff or the PJM Operating Agreement in carrying out its duties and responsibilities under this Plan. However, nothing herein shall prevent PJM or any other person from requesting the use of the dispute resolution procedure set forth in the PJM Tariff or the PJM Operating Agreement, as applicable.~~

XI. **EFFECTIVE DATE**

This Plan shall be effective as of June 1, 2008~~the date it is accepted for filing by the Commission.~~

Tariff Revisions
Attachment M
Non-Redline Version

ATTACHMENT M

PJM MARKET MONITORING PLAN

I. OBJECTIVES

The objectives of this PJM Market Monitoring Plan are to maintain an independent Market Monitoring Unit that will objectively monitor, investigate, evaluate and report on the PJM Markets, including, but not limited to, structural, design or operational flaws in the PJM Markets or the exercise of market power or manipulation in the PJM Markets. The Market Monitoring Unit shall pursue these objectives in a manner consistent with this Attachment M and all applicable PJM Market Rules, PJM Manuals, and PJM committee procedures. This Plan shall apply to PJM, the Market Monitor, the Market Monitoring Unit, Market Participants and all entities that take service under the PJM Tariff.

II. DEFINITIONS

Unless the context otherwise requires, for purposes of this Plan, capitalized terms shall have the meanings given below or in Section I of the PJM Tariff.

- (a) “**Authorized Government Agency**” means a regulatory body or government agency, with jurisdiction over PJM, the PJM Market, or any entity doing business in the PJM Market, including, but not limited to, the Commission, State Commissions, and state and federal attorneys general.
- (b) “**Commission**” means the Federal Energy Regulatory Commission.
- (c) “**Corrective Action**” means an action set forth in section IV.I of this Plan.
- (d) “**FERC Market Rules**” mean the market behavior rules and the prohibition against electric energy market manipulation codified by the Commission in its Rules and Regulations at 18 CFR §§ 1c.2 and 35.37, respectively; the Commission-approved PJM Market Rules and any related proscriptions or any successor rules that the Commission from time to time may issue, approve or otherwise establish.

- (e) **“Market Monitor”** means the head of the Market Monitoring Unit.
- (f) **“Market Monitoring Unit” or “MMU”** means the organization that is responsible for implementing this Plan, including the Market Monitor.
- (g) **“Market Monitoring Unit Advisory Committee” or “MMU Advisory Committee”** means the committee established under Section III.H.
- (h) **“Market Participant”** means an entity that generates, transmits, distributes, purchases, or sells electricity, ancillary services, or any other product or service provided under the PJM Tariff or Operating Agreement within, into, out of, or through the PJM Region. “Market Participant” shall not include an Authorized Government Agency that consumes energy for its own use but does not purchase or sell energy at wholesale.

- (i) **“OPSI Advisory Committee”** means the committee established under Section III.G.
- (j) **“PJM”** means PJM Interconnection, L.L.C., including the Office of the Interconnection as referenced in the PJM Operating Agreement.
- (k) **“PJM Board”** means the Board of Managers of PJM or its designated representative, exclusive of any members of PJM Management.
- (l) **“PJM Entities”** mean PJM, including the Market Monitoring Unit, the PJM Board, and PJM’s officers, employees, representatives, advisors, contractors, and consultants.
- (m) **“PJM Liaison”** means the liaison established under Section III.I.
- (n) **“PJM Management”** means the officers, executives, supervisors and employee managers of PJM.
- (o) **“PJM Manuals”** mean those documents, including business rules, produced by PJM that describe detailed PJM operating and accounting procedures that are made publicly available in hard copy and on the Internet.
- (p) **“PJM Markets”** mean the PJM Interchange Energy and Capacity Markets, including the RPM auctions, together with all bilateral or other wholesale electric power and energy transactions, capacity transactions, ancillary services transactions (including black start service), transmission transactions and any other market operated under the PJM Tariff or Operating Agreement within the PJM Region.
- (q) **“PJM Market Rules”** mean the rules, standards, procedures, and practices of the PJM Markets set forth in the PJM Tariff, the PJM Operating Agreement, the PJM Reliability Assurance Agreement, the PJM Consolidated Transmission Owners Agreement, the PJM Manuals, the PJM Regional Practices Document, the PJM-Midwest Independent Transmission System Operator Joint Operating Agreement or any other document setting forth market rules.
- (r) **“PJM Operating Agreement”** means the Amended and Restated Operating Agreement of PJM on file with the Commission.
- (s) **“PJM Regional Practices Document”** means the document of that title that compiles and describes the practices in the PJM Markets and that is made available in hard copy and on the Internet.

- (t) **“PJM Reliability Assurance Agreement”** means the Reliability Assurance Agreement among Load Serving Entities in the PJM Region on file with the Commission.
- (u) **“PJM Tariff”** means the Open Access Transmission Tariff of PJM on file with the Commission.
- (v) **“PJM Transmission Owners Agreement”** means the PJM Consolidated Transmission Owners Agreement on file with the Commission.
- (w) **“Plan”** means the PJM market monitoring plan set forth in this Attachment M.
- (x) **“State”** means the District of Columbia and any state or commonwealth in the PJM Region.
- (y) **“State Commission”** means any state regulatory agency having jurisdiction over retail electricity sales in any State in the PJM Region.

III. MARKET MONITORING UNIT

A. Establishment: PJM shall establish or retain a Market Monitoring Unit to perform the functions set forth in this Plan.

B. Composition: The Market Monitoring Unit shall be comprised of personnel having the experience and qualifications necessary to implement this Plan. In carrying out its responsibilities, the Market Monitoring Unit may retain such consultants, attorneys and experts as it deems necessary.

C. Independence: The Market Monitoring Unit shall be independent from, and not subject to, the direction or supervision of any person or entity, with the exception of the PJM Board as specified in Section III.D, and the Commission. No person or entity shall have the right to preview, screen, alter, delete, or otherwise exercise editorial control over or delay Market Monitoring Unit actions or investigations or the findings, conclusions, and recommendations developed by the Market Monitoring Unit that fall within the scope of market monitoring responsibilities contained in this Plan. Nothing in this section shall be interpreted to exempt the Market Monitoring Unit from any applicable provision of state or federal law.

D. Role of PJM Board:

1. The PJM Board shall have the authority and responsibility:
 - a. To review the budget of the Market Monitoring Unit, consistent with the budget processes and requirements set forth in Section III.E.
 - b. To propose to terminate, retain by contract renewal or replace the Market Monitoring Unit, consistent with the requirements of Section III.F.
2. The PJM Board and the Market Monitor shall meet and confer from time to time on matters relevant to the discharge of the PJM Board's and the Market Monitoring Unit's duties under this Plan.
3. Other than the matters set forth in Sections III.D.1 and D.2, the PJM Board shall have no responsibility for, or authority over, the Market Monitoring Unit.

E. Budget:

1. Preparation: The Market Monitor shall prepare a budget each year of its expenses on an accrual basis in accordance with generally accepted accounting principles that is sufficient to cover the anticipated actual costs to perform the services under this Plan, including, but not limited to, salary and benefits, rent and utilities, interest, depreciation and other operating expenses.

2. Review: The Market Monitor shall, not later than September 15, submit a draft budget to the Finance Committee, OPSI Advisory Committee, and PJM Board for review and comment. The draft budget shall include total labor compensation, non-employee labor expense, current full-time employee and contractor head count, depreciation expense, interest expense, technology expense, other expense and capital spending, including a level of supporting detail consistent with that provided by PJM in its annual budget review to the Finance Committee. The draft budget shall also be made available for inspection by the PJM members. The Finance Committee, OPSI Advisory Committee, and PJM Board shall have until October 15 to request changes in the budget. The Market Monitor shall consider those requests and, if they are not accepted by the Market Monitor, it shall provide, in writing, to the foregoing and to PJM members, an explanation of the reasons they are not acceptable. If, after discussing requested changes with such entities, there is no remaining dispute over such requested changes, the mutually agreeable budget shall go into effect on January 1 of the subsequent year.

3. Commission Action: If despite the foregoing process, there remains a dispute regarding the budget, PJM shall, not later than November 1, file the Market Monitor's proposed budget with the Commission for resolution of the dispute. PJM shall accompany such filing with an explanation of the nature of the dispute and any position of the PJM Board on such dispute. Any interested person may also file comments on such dispute. The fact that PJM is submitting the dispute for Commission review shall not be deemed to provide the views of the PJM Board any special weight, nor subject them to any special burden of proof. If the Commission has not taken action by December 31, the Market Monitor's proposed budget, filed by PJM, shall take effect, subject to any subsequent Commission order.

4. Intra-year Amendments to the Budget: If the Market Monitor requires an intra-year amendment to the budget to perform its functions under the Plan, it shall provide the proposed amendment, the reasons for the proposed amendment and reasonable supporting detail to the Finance Committee, OPSI Advisory Committee and the PJM Board for review and comment, and if any dispute regarding such proposed amendment remains 30 days thereafter, PJM shall file the proposed budget amendment with the Commission for resolution of the dispute. The proposed budget amendment and supporting explanation shall also be made available for inspection by the PJM members.

5. Rates: The Market Monitor's approved budget shall be collected pursuant to Schedule 9-MMU of the PJM Tariff.

F. Term and Termination:

1. **Term:** Upon the effective date of this revised Attachment M, there shall be a contract between PJM and the Market Monitoring Unit that has an initial term of six (6) years. Upon the expiration of that initial six (6) year term, the contract may be renewed for subsequent term(s) of three (3) years if both parties agree. If the PJM Board does not agree to renew the contract at the end of its term, it may propose to terminate the contract pursuant to the standards and processes set forth below.

2. **Standards for Proposed Termination:**

a. **Termination During Contract Term.** During the term of any contract with the Market Monitoring Unit, the PJM Board may propose to terminate the contract as follows:

(1) During the first three (3) years following the effective date of this revised Attachment M, the PJM Board may propose to terminate the contract with the Market Monitoring Unit upon a determination of willful misconduct or gross negligence by the Market Monitoring Unit.

(2) Following the expiration of this initial three (3) year period, the PJM Board may, during the term of any contract with the Market Monitoring Unit (or any successor Market Monitoring Unit), propose to terminate the contract with the Market Monitoring Unit upon a determination that the Market Monitoring Unit has not adequately performed its functions set forth in this Plan.

b. **Termination at End of Contract Term.** At the end of the term of any contract with the Market Monitoring Unit, the PJM Board may propose to terminate the contract with the Market Monitoring Unit (or any successor Market Monitoring Unit) (1) upon a determination that the Market Monitoring Unit has not adequately performed the functions set forth in this Plan, or (2) pursuant to an open, nondiscriminatory and transparent request for proposals.

3. **Process for Proposed Termination and Replacement:**

a. **Notice.** If the PJM Board proposes to terminate the contract with the Market Monitoring Unit pursuant to the standards set forth in Section III.F.2, it shall provide one hundred twenty (120) days prior notice to the Market Monitoring Unit, the OPSI Advisory Committee, MMU Advisory Committee and the PJM members.

b. Contents of Notice. The notice shall include the following information:

(1) If the PJM Board proposes to terminate the contract with the Market Monitoring Unit based on willful misconduct or gross negligence, it shall set forth in detail the conduct that supports such determination and shall propose an open and transparent process (such as a request for proposals) for selecting a new Market Monitoring Unit.

(2) If the PJM Board proposes to terminate the contract with the Market Monitoring Unit because it has not adequately performed its functions under this Plan, it shall set forth in detail the performance deficiencies that support that determination and shall propose an open and transparent process (such as a request for proposals) for selecting a new Market Monitoring Unit.

(3) If the PJM Board proposes to conduct a request for proposals to determine whether to replace the Market Monitoring Unit at the end of a contract term, it shall propose an open, nondiscriminatory and transparent request for proposals and shall allow the existing Market Monitoring Unit to submit a bid or proposal in that process. Any such notice shall set forth in detail the criteria applicable to such request for proposals. Such criteria shall be subject to comment as provided in Section III.F.3.c and subject to approval by the Commission.

c. Comments on the Notice. Within forty-five (45) days of any such notice, the Market Monitoring Unit, the OPSI Advisory Committee, MMU Advisory Committee, any PJM member or any stakeholder may provide advice or comment to the PJM Board regarding the proposed termination and/or the proposed process for selecting a new Market Monitoring Unit. The PJM Board shall take such advice or comment into account in reaching a final determination as to whether to propose to terminate the contract with the Market Monitoring Unit and, if so, the process for selecting a new Market Monitoring Unit.

d. FERC Filing. Upon the expiration of the one hundred twenty (120) day prior notice period, the PJM Board may, after considering the advice and comment provided pursuant to Section III.F.3.c, propose in a filing to FERC that the contract with the Market Monitoring Unit be terminated. Any such proposal shall include a detailed explanation of the reasons therefor, including an explanation of why the standards set forth in Section III.F.2 have been satisfied, and an open, nondiscriminatory and transparent process for selecting a new

Market Monitoring Unit. The Market Monitoring Unit, OPSI Advisory Committee and any interested stakeholder may submit to FERC such comments, protests or other documents and advice as appropriate on such filing.

e. Termination. The contract with the Market Monitoring Unit shall not be terminated until (1) FERC has reviewed a termination proposal by the PJM Board and any comments or protests submitted by interested parties thereon (including the OPSI Advisory Committee), (2) FERC has made a finding that the PJM Board has demonstrated that termination is justified pursuant to the standards set forth in Section III.F.2 above, (3) FERC has approved a process for selecting a new Market Monitoring Unit, and (4) a new Market Monitoring Unit has been selected pursuant to such FERC-approved process.

G. OPSI Advisory Committee: There shall be an OPSI Advisory Committee comprised of five (5) representatives appointed by the Organization of PJM States, Inc. The OPSI Advisory Committee shall meet with the Market Monitoring Unit on a regular basis and as otherwise necessary to receive and discuss information relevant to this Plan. In addition to the specific responsibilities regarding budget and termination set forth in Sections III.E and III.F, the OPSI Advisory Committee may provide advice to the Commission, Market Monitor, the PJM Board, stakeholder committees, and stakeholder working groups regarding any matter concerning the Market Monitor, Market Monitoring Unit or Market Monitoring Plan. Any formal advice shall be in writing and, subject to confidentiality provisions, shall be made publicly available.

H. Market Monitoring Unit Advisory Committee: There shall be an MMU Advisory Committee, chaired by the Market Monitor, that is open to all stakeholders and representatives of Authorized Government Agencies. The MMU Advisory Committee shall act as a liaison between stakeholders and the MMU and shall provide advice from time to time on matters relevant to the MMU's responsibilities under this Plan. The MMU Advisory Committee shall have no authority to direct, supervise, review, or otherwise interfere with the functions of the MMU under this Plan, nor any authority to terminate or propose to terminate the Market Monitor.

I. PJM Liaison: PJM may appoint an employee to act as liaison with the Market Monitoring Unit. The function of the liaison will be to facilitate communications between PJM employees and the Market Monitoring Unit, as defined in Section V.E.

IV. MARKET MONITORING UNIT FUNCTIONS AND RESPONSIBILITIES

A. General: The Market Monitoring Unit shall objectively monitor the competitiveness of PJM Markets, investigate violations of FERC or PJM Market Rules, recommend changes to PJM Market Rules, prepare reports for the Authorized Government Agencies and take such other actions as are specified in this Plan.

B. Monitored Activities: The Market Monitoring Unit shall be responsible for monitoring the following:

1. Compliance with the PJM Market Rules.
2. Actual or potential design flaws in the PJM Market Rules.
3. Structural problems in the PJM Markets that may inhibit a robust and competitive market.
4. The potential for a Market Participant to exercise market power or violate any of the PJM or FERC Market Rules or the actual exercise of market power or violation of the PJM or FERC Market Rules.
5. PJM's implementation of the PJM Market Rules or operation of the PJM Markets, as further set forth in Section IV.C.
6. Such matters as are necessary to prepare the reports set forth in Section VI.

C. Monitoring of PJM: The Market Monitoring Unit shall monitor PJM's implementation of the PJM Market Rules and operation of the PJM Markets. If the Market Monitoring Unit disagrees with the implementation of the PJM Market Rules or the operation of the PJM Markets, the Market Monitoring Unit may so advise PJM. Excepting matters governed by Section IV.I, if the disagreement cannot be resolved informally, the Market Monitoring Unit may inform the Commission, Authorized Government Agencies, or the PJM members. The Market Monitoring Unit shall have no authority to direct PJM to modify its operation of the PJM Markets or implementation of the PJM Market Rules.

D. Market Design: PJM is responsible for proposing for approval by the Commission, consistent with tariff procedures and applicable law, changes to the design of the PJM Markets. If the Market Monitoring Unit detects a design flaw or other problem with the PJM Markets, the Market Monitoring Unit may initiate and propose, through the appropriate stakeholder processes, changes to the design of such market. In support of this function, the Market Monitoring Unit may engage in discussions with stakeholders, State Commissions, PJM Management, or the PJM Board; participate in PJM stakeholder meetings or working groups regarding market design matters; publish proposals, reports or studies on such market design issues; and make filings with the Commission on market design issues.

E. Mitigation: The Market Monitoring Unit may, consistent with the PJM Market Rules, recommend to PJM that it take specific mitigation action that PJM is authorized to take under the PJM Market Rules to address market behavior or conditions. The Market Monitoring Unit shall not, however, have authority to require modification of PJM operational decisions, including dispatch instructions. If PJM does not accept the Market Monitoring Unit's

recommendations regarding mitigation actions, the Market Monitoring Unit may report its mitigation recommendation to the Authorized Government Agencies, Commission staff, State Commissions or the PJM members, as the Market Monitoring Unit deems appropriate. Nothing in this Plan shall be deemed to supersede any authority the Market Monitoring Unit may have under the PJM Market Rules, nor shall anything in this Plan preclude any person or entity from seeking to modify such authority in a filing with the Commission.

F. Studies or Reports for State Commissions: Upon request in writing by the OPSI Advisory Committee, the Market Monitoring Unit may, in its discretion, provide such studies or reports on wholesale market issues, including wholesale market transactions occurring under a state-administered auction process, as may affect one or more states within the PJM area. Any such request for such a study or report, as well as any resulting study or report, shall be made simultaneously available to the public, with simultaneous notice to PJM members, subject to the protection of confidential information.

G. Participation in Stakeholder Processes: The Market Monitoring Unit may, as it deems appropriate or necessary to perform its functions under this Plan, participate (consistent with the rules applicable to all PJM stakeholders) in stakeholder working groups, committees or other PJM stakeholder processes.

H. Referrals to State Commissions: If during the ordinary course of its activities the Market Monitoring Unit discovers evidence of wrongdoing (other than minor misconduct) that the Market Monitor reasonably believes to be within a State Commission's jurisdiction, the Market Monitoring Unit shall report such information to the State Commission(s).

I. Corrective Actions

1. Required Notice to Commission: Immediately upon determining that it has identified a significant market problem or a potential violation by a Market Participant or PJM of the PJM Market Rules or any of the FERC Market Rules that may require (a) a change in the PJM Market Rules, (b) further inquiry by the Market Monitoring Unit, (c) referral for investigation by the Commission and/or (d) action by the Commission, the Market Monitoring Unit shall notify the Commission's Office of Enforcement (or any successor), either orally or in writing. Nothing in this Section IV.I.1 shall limit the ability of the Market Monitoring Unit to engage in discussions with any such Market Participant as provided in Section IV.J.1.

2. Required Referral to Commission: In addition to the notification provided in section IV.I.1. above, where the Market Monitoring Unit has reason to believe, based on sufficient credible information, that a Market Participant or PJM has either violated (a) a PJM Market Rule, or (b) any of the FERC Market Rules, the Market Monitoring Unit will refer the matter to the Commission's Division of Investigations (or any successor) in the manner described below. The foregoing notwithstanding, a clear,

objectively identifiable violation of a PJM Market Rule, where such rule provides for an explicit remedy that has been accepted by the Commission and can be administered by PJM, shall not be subject to the provisions of this section IV.I.2.

Such a referral shall be in writing, shall be non-public and should include, but need not be limited to, the following information:

- a. The name(s) of and, if possible, the contact information for, the Market Participants that allegedly took the action(s) that constitute that alleged market violation(s);
- b. The date(s) or time period during which the alleged market violation(s) occurred and whether the alleged wrongful conduct is ongoing;
- c. The specific PJM Market Rules, FERC Market Rule(s) and/or tariff provision(s) that were allegedly violated;
- d. The specific act(s) or conduct that allegedly violated the PJM Market Rules or the FERC Market Rules;
- e. The consequences in the market resulting from the act(s) or conduct, including, if known, an estimate of economic impact on the market;
- f. If the Market Monitoring Unit believes that the act(s) or conduct constituted manipulative behavior in violation of the FERC Market Rules and/or PJM Market Rules, a description of the alleged manipulative effect on market prices, market conditions, or market rules; and
- g. Any other information that the Market Monitoring Unit believes is relevant and may be helpful to the Commission.

Following the submission of such a referral, the Market Monitoring Unit will continue to inform the Commission staff of any information relating to the referral that it discovers within the scope of its regular monitoring function, but it shall not undertake any investigative steps regarding the referral except at the express direction of the Commission staff.

[Reserved for Future Use]

J. Additional Market Monitoring Unit Authority: In addition to notifications and referrals under Sections IV.I.1 and IV.I.2, respectively, the Market Monitoring Unit shall have the additional authority described in this section, as follows:

1. Engage in discussions regarding issues relating to the PJM Market Rules or FERC Market Rules, in order to understand such issues and to attempt to resolve informally such issues or other issues.
2. Excepting matters governed by Section IV.I, file reports and make appropriate regulatory filings with Authorized Government Agencies to address design flaws, structural problems, compliance, market power, or other issues, and seek such appropriate action or make such recommendations as the Market Monitoring Unit shall deem appropriate. The Market Monitoring Unit shall make such filings or reports publicly available and provide simultaneous notice of the existence of reports to the PJM members and PJM, subject to protection of confidential information.
3. Consult with Authorized Government Agencies concerning the need for specific investigations or monitoring activities.
4. Consider and evaluate a broad range of additional enforcement mechanisms that may be necessary to assure compliance with the PJM Market Rules. As part of this evaluation process, the Market Monitoring Unit shall consult with Authorized Government Agencies and other interested parties.
5. Report directly to the Commission staff on any matter.

K. Confidentiality:

1. All discussions between the Market Monitoring Unit and Market Participants concerning the informal resolution of compliance issues initially shall remain confidential, subject to the provisions in subsection IV.K.3.
2. Except as provided in subsection IV.K.3, in exercising its authority to take Corrective Actions, the Market Monitoring Unit shall observe the confidentiality provisions of the PJM Operating Agreement.
3. Notwithstanding anything to the contrary in this Plan or the PJM Operating Agreement, the Market Monitoring Unit: (a) may disclose any information to the Commission in connection with the reporting required under Sections IV.I.1 and IV.I.2 of this Plan, provided that any written submission to

the Commission that includes information that is confidential under the PJM Operating Agreement shall be accompanied by a request that the information be maintained as confidential, and (b) may make reports or other regulatory filings pursuant to Section IV.J or V of this Plan if accompanied by a request that information that is confidential under the PJM Operating Agreement be maintained as confidential.

V. INFORMATION AND DATA

A. Primary Information Sources: The Market Monitoring Unit shall rely primarily upon data and information that are customarily gathered in the normal course of business of PJM and such publicly available data and information that may be helpful to accomplish the objectives of the Plan, including, but not limited to, (1) information gathered or generated by PJM in connection with its scheduling and dispatch functions, its operation of the transmission grid in the PJM Region or its determination of Locational Marginal Prices, (2) information required to be provided to PJM in accordance with the PJM Market Rules and (3) any other information that is generated by, provided to, or in the possession of PJM. The foregoing information shall be provided to the Market Monitoring Unit as soon as practicable, including, but not limited to, real-time access to scheduling, dispatch and other operational data.

B. Other Information Requests: If other information is required from a Market Participant, the Market Monitoring Unit shall comply with the following procedures:

1. Request for Additional Data: If the Market Monitoring Unit determines that additional information is required to accomplish the objectives of the Plan, the Market Monitoring Unit may make reasonable requests of the entities possessing such information to provide the information. Any such request for additional information will be accompanied by an explanation of the need for the information and the Market Monitoring Unit's inability to acquire the information from alternate sources.

2. Failure to Comply with Request: The information request recipient shall provide the Market Monitoring Unit with all information that is reasonably requested. If an information request recipient does not provide requested information within a reasonable time, the Market Monitoring Unit may initiate such regulatory or judicial proceedings to compel the production of such information as may be available and deemed appropriate by the Market Monitoring Unit, including petitioning the Commission for an order that the information is necessary and directing its production. An information request recipient shall have the right to respond to any such petitions and participate in the proceedings thereon.

3. Information Concerning Possible Undue Preference: Notwithstanding subsection V.B.1, if the Market Monitoring Unit requests information relating to possible undue preference between Transmission Owners and their affiliates, Transmission Owners and their affiliates must provide requested information to the Market Monitoring Unit within a reasonable time, as specified by the Market Monitoring Unit; provided, however, that an information request recipient may petition the Commission for an order limiting all or part of the information request, in which event the Commission's order on the petition shall determine the extent of the information request recipient's obligation to comply with the disputed portion of the information request.

4. Confidentiality: Except as provided in Section IV.K.3 of this Plan, the Market Monitoring Unit shall observe the confidentiality provisions of the PJM Operating Agreement with respect to information provided under this section if an entity providing the information designates it as confidential.

C. Complaints: Any Market Participant or other interested entity may at any time submit information to the Market Monitoring Unit concerning any matter relevant to the Market Monitoring Unit's responsibilities under the Plan, or may request the Market Monitoring Unit to make inquiry or take any action contemplated by the Plan. Such submissions or requests may be made on a confidential basis. The Market Monitoring Unit may request further information from such Market Participant or other entity and make such inquiry as the Market Monitoring Unit considers appropriate. The Market Monitoring Unit shall not be required to act with respect to any specific complaint unless the Market Monitoring Unit determines action to be warranted.

D. Collection and Availability of Information: The Market Monitoring Unit shall regularly collect and maintain under its sole control the information that it deems necessary for implementing the Plan. The Market Monitoring Unit shall make publicly available a detailed description of the categories of data collected by the Market Monitoring Unit. To the extent it deems appropriate and upon specific request, the Market Monitoring Unit may release other data to the public, consistent with the obligations of the Market Monitoring Unit and PJM to protect confidential, proprietary, or commercially sensitive information.

E. Access to Personnel and Facilities: The Market Monitoring Unit shall have access to PJM personnel and facilities as necessary to perform the functions set forth in this Plan. If the Market Monitoring Unit seeks data or other information from PJM personnel, it may contact the appropriate personnel that may be in possession of such data or information. If the Market Monitoring Unit seeks a formal opinion or position on a matter from PJM, it shall contact the PJM Liaison or appropriate senior management official to provide such opinion or position.

F. Market Monitoring Indices: The Market Monitoring Unit shall develop, and shall refine on the basis of experience, indices or other standards to evaluate the information that it collects and maintains. Prior to using any such index or standard, the Market Monitoring Unit shall provide PJM members, Authorized Government Agencies, and other interested parties an opportunity to comment on the appropriateness of such index or standard. Following such opportunity for comments, the decision to use any index or standard shall be solely that of the Market Monitoring Unit.

G. Evaluation of Information: The Market Monitoring Unit shall evaluate, and shall refine on the basis of experience, the information it collects and maintains, or that it receives from other sources, regarding the operation of the PJM Markets or other matters relevant to the Plan. As so evaluated, such information shall provide the basis for reports or other actions of the Market Monitoring Unit under this Plan.

VI. REPORTS

A. Reports: The Market Monitoring Unit shall prepare and submit contemporaneously to the Commission, the State Commissions, the PJM Board, PJM Management and to the PJM Members Committee, annual state-of-the-market reports on the state of competition within, and the efficiency of, the PJM Markets. In such reports, the Market Monitoring Unit may make recommendations regarding any matter within its purview. These reports shall address, among other things, the extent to which prices in the PJM Markets reflect competitive outcomes, the structural competitiveness of the PJM Markets, the effectiveness of bid mitigation rules, and the effectiveness of the PJM Markets in signaling infrastructure investment. These reports shall include recommendations as to whether changes to the Market Monitoring Unit or the Plan are required. In addition, the Market Monitoring Unit shall provide to the PJM Board, in a timely manner, copies of any reports submitted to Authorized Government Agencies pursuant to Section VI.B. The Market Monitoring Unit may from time-to-time prepare and submit additional reports to the Commission, the PJM Board and PJM Members Committee as the Market Monitoring Unit may deem appropriate in the discharge of its responsibilities under the Plan.

B. Reports to Authorized Government Agencies: The Market Monitoring Unit shall contemporaneously submit to the Authorized Government Agencies the reports provided to the PJM Board pursuant to Section VI.A. Subject to applicable law and regulation and any other applicable provisions of the PJM Operating Agreement or PJM Tariff, the Market Monitoring Unit shall, to the extent practicable, respond to reasonable requests by Authorized Government Agencies other than the Commission for reports, subject to protection of confidential, proprietary and commercially sensitive information, the protection of the confidentiality of ongoing inquiries and monitoring activities, and the availability of resources.

C. Public Reports: The Market Monitoring Unit shall prepare a detailed public annual report about the Market Monitoring Unit's activities, subject to protection of confidential, proprietary, and commercially sensitive information and the protection of the confidentiality of ongoing investigations and monitoring activities. The Market Monitoring Unit may, instead of filing a separate report, include the referenced material in a report filed pursuant to Section VI.A hereof.

VII. AUDIT

The activities of the Market Monitoring Unit shall be audited by a nationally recognized independent third party auditor selected by the Market Monitor. The audit shall include, but not be limited to, a review of whether MMU expenditures were for purposes consistent with the functions set forth in this Plan. The audit report shall be provided to the PJM Board, Market Monitoring Unit, OPSI, OPSI Advisory Committee and PJM members subject to the protection of confidential information.

VIII. LIMITATION OF LIABILITY

Any liability of PJM arising under or in relation to this Plan shall be subject to this Section VIII. The PJM Entities shall not be liable to any Market Participant, any party to the PJM Operating Agreement, any customer under the PJM Tariff, or any other person subject to this Plan in respect of any matter described in or contemplated by this Plan, as the same may be amended or supplemented from time to time, including but not limited to liability for any financial loss, loss of economic advantage, opportunity cost, or actual or consequential damages of any kind resulting from or attributable to any act or omission of any of the PJM Entities under this Plan. Neither the OPSI Advisory Committee nor any State Commission (including commissioners and staff persons) shall be liable to any person under this Plan for any financial loss, loss of economic advantage, opportunity cost, or actual or consequential damages associated with performing any of its functions or duties under this Plan.

IX. ALTERNATIVE DISPUTE RESOLUTION

Notwithstanding any provision of the PJM Tariff or the PJM Operating Agreement, PJM and the Market Monitoring Unit shall not be required to use the dispute resolution procedures in the PJM Tariff or the PJM Operating Agreement in carrying out its duties and responsibilities under this Plan. However, nothing herein shall prevent PJM or any other person from requesting the use of the dispute resolution procedure set forth in the PJM Tariff or the PJM Operating Agreement, as applicable.

X. EFFECTIVE DATE

This Plan shall be effective as of June 1, 2008.

Attachment B

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Redline Version

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1.4A Authorized Commission.

“Authorized Commission” shall mean (i) a State public utility commission within the geographic limits of the PJM Region that regulates the distribution or supply of electricity to retail customers and is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State or (ii) an association or organization comprised exclusively of State public utility commissions described in the immediately preceding clause (i).

1.4B Authorized Person.

“Authorized Person” shall ~~have the meaning set forth in Section 18.17.4 mean a person who has executed a Non-Disclosure Agreement, and is authorized in writing by an Authorized Commission to receive and discuss confidential information. Authorized Persons may include attorneys representing an Authorized Commission, consultants and/or contractors directly employed by an Authorized Commission, provided however that consultants or contractors may not initiate requests for confidential information from the Office of the Interconnection or the PJM Market Monitor.~~

1.5 Board Member.

“Board Member” shall mean a member of the PJM Board.

1.5A Applicable Regional Reliability Council.

“Applicable Regional Reliability Council” shall mean the reliability council for the region in which a Member operates.

1.5B Behind The Meter Generation.

“Behind The Meter Generation” refers to a generating unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit’s capacity that is designated as a Generation Capacity Resource, or (ii) in any hour, any portion of the output of such generating unit[s] that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Members attending. The Office of the Interconnection shall reimburse all Board Members for their reasonable costs of attending meetings.

18.14 Notice.

(a) Except as otherwise expressly provided herein, notices required under this Agreement shall be in writing and shall be sent to a Member by overnight courier, hand delivery, telecopier or other reliable electronic means to the representative on the Members Committee of such Member at the address for such Member previously provided by such Member to the Office of the Interconnection. Any such notice so sent shall be deemed to have been given (i) upon delivery if given by overnight couriers or hand delivery, or (ii) upon confirmation if given by telecopier or other reliable electronic means. Notices of meetings of the Members Committee or committees, subcommittees, task forces, working groups and other bodies under its auspices may be given as provided in the Members Committee by-laws.

(b) Notices, as well as copies of the agenda and minutes of all meetings of committees, subcommittees, task forces, working groups, User Groups, or other bodies formed under this Agreement, shall be posted in a timely fashion on and made available for downloading from the PJM website.

18.15 Headings.

The section headings used in this Agreement are for convenience only and shall not affect the construction or interpretation of any of the provisions of this Agreement.

18.16 No Third-Party Beneficiaries.

This Agreement is intended to be solely for the benefit of the Members and their respective successors and permitted assigns and, unless expressly stated herein, is not intended to and shall not confer any rights or benefits on any third party (other than successors and permitted assigns) not a signatory hereto.

18.17 Confidentiality.

18.17.1 Party Access.

(a) No Member shall have a right hereunder to receive or review any documents, data or other information of another Member, including documents, data or other information provided to the Office of the Interconnection and/or the PJM Market Monitor, to the extent such documents, data or information have been designated as confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the PJM Market Monitor or to the extent that they have been designated as confidential by such other Member; provided, however, a Member may receive and review any composite documents, data and other information that may be developed based on such confidential documents, data or information if the composite does not disclose any individual Member's confidential data or information.

(b) Except as may be provided in this Agreement or in the PJM Open Access Transmission Tariff, the Office of the Interconnection and/or the PJM Market Monitor shall not disclose to its Members or to third parties, any documents, data, or other information of a Member or entity applying for Membership, to the extent such documents, data, or other information has been designated confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the PJM Market Monitor or by such Member or entity

applying for membership; provided that nothing contained herein shall prohibit the Office of the Interconnection and/or the PJM Market Monitor from providing any such confidential information to its agents, representatives, or contractors to the extent that such person or entity is bound by an obligation to maintain such confidentiality; provided further that nothing contained herein shall prohibit the Office of the Interconnection from providing Member confidential information to the North American Electric Reliability Council or any of its regional reliability councils, or to any reliability coordinator, to the extent that (i) the Office of the Interconnection determines in its reasonable discretion that the exchange of such information is required to enhance and/or maintain reliability within the Members' Applicable Regional Reliability Councils and their neighboring reliability councils, or within the region of any reliability coordinator, (ii) such entity is bound by a written agreement to maintain such confidentiality, and (iii) the Office of the Interconnection has notified the affected party of its intention to release such information no less than five business days prior to the release. The Office of the Interconnection and/or the PJM Market Monitor shall collect and use confidential information only in connection with its authority under this Agreement and the Open Access Transmission Tariff and the retention of such information shall be in accordance with PJM's data retention policies.

(c) Nothing contained herein shall prevent the Office of the Interconnection and/or the PJM Market Monitor from releasing a Member's confidential data or information to a third party provided that the Member has delivered to the Office of the Interconnection and/or the PJM Market Monitor specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. The Office of the Interconnection and/or the PJM Market Monitor shall limit the release of a Member's confidential data or information to that specific authorization received from the Member. Nothing herein shall prohibit a Member from withdrawing such authorization upon written notice to the Office of the Interconnection and/or the PJM Market Monitor, who shall cease such release as soon as practicable after receipt of such withdrawal notice.

18.17.2 Required Disclosure.

(a) Notwithstanding anything in the foregoing Section to the contrary, and subject to the provisions of Section 18.17.3, if a Member, ~~or~~ the Office of the Interconnection, and/or the PJM Market Monitor is required by applicable law, or in the course of administrative or judicial proceedings ~~other than FERC proceedings or investigations~~, to disclose to third parties ~~other than the FERC or its staff~~, information that is otherwise required to be maintained in confidence pursuant to this Agreement, that Member, ~~or~~ the Office of the Interconnection, and/or the PJM Market Monitor may make disclosure of such information; provided, however, that as soon as the Member, ~~or~~ the Office of the Interconnection, and/or the PJM Market Monitor learns of the disclosure requirement and prior to making disclosure, that Member, ~~or~~ the Office of the Interconnection, and/or the PJM Market Monitor shall notify the affected Member or Members of the requirement and the terms thereof and the affected Member or Members may direct, at their sole discretion and cost, any challenge to or defense against the disclosure requirement. The disclosing Member, ~~and~~ the Office of the Interconnection, and/or the PJM Market Monitor shall cooperate with such affected Members to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. Each Member, ~~and~~ the Office of the Interconnection, and/or the PJM Market Monitor shall cooperate with the affected Members to obtain proprietary or confidential treatment of such information by the person to whom such information is disclosed prior to any such disclosure.

(b) Nothing in this Section 18.17 shall prohibit or otherwise limit the Office of the Interconnection's and/or the PJM Market Monitor's use of information covered herein if such information was: (i) previously

known to the Office of the Interconnection [and/or the PJM Market Monitor](#) without an obligation of confidentiality; (ii) independently developed by or for the Office of the Interconnection [and/or the PJM Market Monitor](#) using nonconfidential information; (iii) acquired by the Office of the Interconnection [and/or the PJM Market Monitor](#) from a third party which is not, to the Office of the Interconnection's [or PJM Market Monitor's](#) knowledge, under an obligation of confidence with respect to such information; (iv) which is or becomes publicly available other than through a manner inconsistent with this Section 18.17.

(c) The Office of the Interconnection [and/or the PJM Market Monitor](#) shall impose on any contractors retained to provide technical support or otherwise to assist with the implementation or administration of this Agreement or of the Open Access Transmission Tariff a contractual duty of confidentiality consistent with this Agreement. A Member shall not be obligated to provide confidential or proprietary information to any contractor that does not assume such a duty of confidentiality, and the Office of the Interconnection [and/or the PJM Market Monitor](#) shall not provide any such information to any such contractor without the express written permission of the Member providing the information.

~~(d) — Section 18.17.2(a) does not apply to disclosure of information to the FERC or its staff.~~

18.17.3 Disclosure to FERC.

(a) Notwithstanding anything in this Section to the contrary, if the FERC or its staff, during the course of an investigation or otherwise, requests information from the Office of the Interconnection [and/or the PJM Market Monitor](#) that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection [and/or the PJM Market Monitor](#) shall provide the requested information to the FERC or its staff, within the time provided for in the request for information. In providing the information to the FERC or its staff, the Office of the Interconnection [and/or the PJM Market Monitor](#) may, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by the FERC and its staff and that the information be withheld from public disclosure. The Office of the Interconnection [and/or the PJM Market Monitor](#) shall notify any affected Member(s) when it is notified by FERC or its staff, that a request for disclosure of, or decision to disclose, confidential information has been received, at which time the Office of [the Interconnection, the PJM Market Monitor, and/or](#) the affected Member may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

(b) Section 18.17.3(a) shall not apply to requests for production of information under Subpart D of the FERC's Rules of Practice and Procedure (18 CFR Part 385) in proceedings before FERC and its administrative law judges. In all such proceedings, PJM and/or the PJM Market Monitor shall follow the procedures in Section 18.17.2.

18.17.4 Disclosure to Authorized ~~Persons~~ [Commissions](#)

(a) Notwithstanding anything in this section to the contrary, the Office of the Interconnection and/or the PJM Market Monitor shall disclose confidential information, otherwise required to be maintained in confidence pursuant to this Agreement, to an Authorized [Commission](#) ~~Person~~ under the following conditions:

- i) [The Authorized Commission has provided the FERC with a properly-executed Certification in the form attached hereto as Schedule 10A. Upon receipt of the Authorized Commission's Certification, the FERC shall provide public notice of the Authorized Commission's](#)

filing pursuant to 18 C.F.R. § 385.2009. If any interested party disputes the accuracy and adequacy of the representations contained in the Authorized Commission's Certification, that party may file a protest with the Commission within 14 days of the date of such notice, pursuant to 18 C.F.R. § 385.211. The Authorized Commission may file a response to any such protest within seven days. Each party shall bear its own costs in connection with such a FERC protest proceeding. If there are material changes in law that affect the accuracy and adequacy of the representations in the Certification filed with the Commission, the Authorized Commission shall, within thirty (30) days, submit an amended Certification identifying such changes. Any such amended Certification shall be subject to the same procedures for comment and review by the Commission as set forth above in this paragraph.

Neither the Office of the Interconnection nor the PJM Market Monitor may disclose data to an Authorized Commission during the Commission's consideration of the Certification and any filed protests. If the Commission does not act upon an Authorized Commission's Certification within 90 days of the date of filing, the Certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section. In the event that an interested party protests the Authorized Commission's Certification and the Commission approves the Certification, that party may not challenge any Information Request made by the Authorized Commission on the grounds that the Authorized Commission is unable to protect the confidentiality of the information requested, in the absence of a showing of changed circumstances.

~~The Authorized Person has executed a Non-Disclosure Agreement with the Office of the Interconnection, representing and warranting that he or she: (i) is an Authorized Person; (ii) is duly authorized to enter into and perform the obligations of the Non-Disclosure Agreement; (iii) has adequate procedures to protect against the release of any confidential information received, (iv) is familiar with, and will comply with any applicable procedures of the Authorized Commission which the Authorized Person represents, (v) covenants and agrees on behalf of himself or herself to deny any Third Party Requests and defend against any legal process which seeks the release of any confidential information that would be released in contravention of the terms of the Non-Disclosure Agreement, and (vi) is not in breach of any Non-Disclosure Agreement entered into with the Office of the Interconnection.~~

- ii) Any confidential information provided to an Authorized Commission pursuant to this section shall not be further disclosed by the recipient

Authorized Commission except by order of the Commission.

~~The Authorized Commission employing or retaining the Authorized Person has provided the Office of the Interconnection with: (a) a final order of FERC prohibiting the release by the Authorized Person or the Authorized Commission of confidential information in accordance with the terms of this Agreement and the Non-Disclosure Agreement; and (b) either an order of such Authorized Commission or a certification from counsel to such Authorized Commission, confirming that the Authorized Commission (i) has statutory authority to protect the confidentiality of any confidential information received from public release or disclosure and from release or disclosure to any other entity, (ii) will defend against any disclosure of Confidential Information pursuant to any Third Party Request through all available legal process, including, but not limited to, obtaining any necessary protective orders, (iii) will provide the Office of the Interconnection with prompt notice of any such Third Party Request or legal proceedings and will consult with the Office of the Interconnection and/or any Affected Member in its efforts to deny the Third Party Request or defend against such legal process, (iv) in the event a protective order or other remedy is denied, will direct Authorized Persons authorized by it to furnish only that portion of the confidential information which their legal counsel advises the Office of the Interconnection in writing is legally required to be furnished, (v) will exercise its best efforts to obtain assurance that confidential treatment will be accorded to such confidential information and (vi) has adequate procedures to protect against the release of such confidential information; and (c) confirmation in writing that the Authorized Person is authorized by the Commission to enter into the Non-Disclosure Agreement and to receive confidential information under this Agreement.~~

~~iii) The Authorized Commission employing or retaining the Authorized Person has provided the Office of the Interconnection with a State Certification.~~

~~iii) The Office of the Interconnection and/or the PJM Market Monitor shall be expressly entitled to rely upon such FERC and Authorized Commission Certifications orders, the State Certification and/or certifications of counsel in providing confidential information to the Authorized Commission Person, and shall in no event be liable, or subject to damages or claims of any kind or nature hereunder, due to the ineffectiveness of the FERC and/or Commission orders, or the inaccuracy of such Authorized Commission Certifications certification of counsel.~~

- iv) The Authorized Commission may provide confidential information obtained from the Office of the Interconnection and/or the PJM Market Monitor to such of its employees, attorneys and contractors as needed to examine or handle that information in the course and scope of their work on behalf of the Authorized Commission, provided that (a) the Authorized Commission has internal procedures in place, pursuant to the Certification, to ensure that each person receiving such information agrees to protect the confidentiality of such information (such employees, attorneys or contractors to be defined hereinafter as "Authorized Persons"); (b) the Authorized Commission provides, pursuant to the Certification, a list of such Authorized Persons to the Office of the Interconnection and the PJM Market Monitor and updates such list, as necessary, every ninety (90) days; and (c) any third-party contractors provided access to confidential information sign a non-disclosure agreement in the form attached hereto as Schedule 10 before being provided access to any such confidential information.
- ~~v) The Authorized Person may discuss confidential information with other Authorized Persons who are parties to Non-Disclosure Agreements; provided, however, that the Office of the Interconnection shall have confirmed in advance and in writing that it has previously released the confidential information in question to such Authorized Persons. The Office of the Interconnection shall respond to any written request for confirmation within two (2) business days of its receipt.~~
- vi) The Office of the Interconnection shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on its website, or by written request. Such schedule shall be compiled by the Office of the Interconnection, based on information provided by any ~~Authorized Person and/or~~ Authorized Commission. The Office of the Interconnection shall update the schedule promptly upon receipt of information from an ~~Authorized Person or~~ Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by the Office of the Interconnection in the compilation and/or maintenance of the schedule.

(b) The ~~PJM Market Monitor or other designated representative of the~~ Office of the Interconnection and/or the PJM Market Monitor may, in the course of discussions with an Authorized Person, orally disclose information otherwise required to be maintained in confidence, without the need for a prior Information Request. Such oral disclosures shall provide enough information to enable the Authorized Person or the ~~Authorized Commission~~ with which that Authorized Person is associated to determine whether additional Information Requests ~~for information~~ are appropriate. The ~~PJM Market Monitor or other representative of the~~ Office of the Interconnection and/or the PJM Market Monitor will not make any written or electronic disclosures of confidential information to the Authorized Person pursuant to this ~~Section 18.17.4(b)~~. In any such discussions, the ~~PJM Market Monitor or other representative of the~~ Office of the Interconnection and/or the PJM Market Monitor shall ensure that the individual or individuals receiving such confidential information are Authorized Persons as defined herein, orally designate confidential information that is disclosed, and refrain from identifying any specific Affected Member whose information is disclosed. The ~~PJM Market Monitor or other representative of the~~ Office of the Interconnection and/or the PJM Market Monitor shall also be authorized to assist Authorized Persons in interpreting confidential information that is disclosed. The ~~PJM Market Monitor or representative of the~~ Office of the Interconnection and/or the PJM Market Monitor shall provide any Affected Member with oral notice of any oral disclosure immediately, but not later than one (1) business day after the oral disclosure. Such oral notice to the Affected Member shall include the

substance of the oral disclosure, but shall not reveal any confidential information of any other Member and must be received by the Affected Member before the name of the Affected Member is released to the Authorized Person; provided however, disclosure of the identity of the Affected Party must be made to the Authorized Commission with which the Authorized Person is associated within two (2) business days of the initial oral disclosure.

(c) As regards Information Requests:

- (i) Information Requests to the Office of the Interconnection and/or PJM Market Monitor by an Authorized Commission shall be in writing, which shall include electronic communications, addressed to the ~~PJM Market Monitor or other designated representative of the~~ Office of the Interconnection and/or the PJM Market Monitor, and shall: (a) describe ~~with particularity~~ the information sought in sufficient detail to allow a response to the Information Request; (b) provide a general description of the purpose of the Information Request; (c) state the time period for which confidential information is requested; and (d) re-affirm that only ~~the~~ Authorized Persons shall have access to the confidential information requested. The Office of the Interconnection and/or the PJM Market Monitor shall provide an Affected Member with written notice, which shall include electronic communication, of an Information Request ~~of the~~ by an Authorized Commission ~~Person~~ as soon as possible, but not later than two (2) business days after the receipt of the Information Request.
- (ii) Subject to the provisions of section (c)(iii), the Office of the Interconnection and/or the PJM Market Monitor shall supply confidential information to the Authorized Commission ~~Person~~ in response to any Information Request within five (5) business days of the receipt of the Information Request, to the extent that the requested confidential information can be made available within such period; provided however, that in no event shall confidential information be released prior to the end of the fourth (4th) business day without the express consent of the Affected Member. To the extent that the Office of the Interconnection and/or the PJM Market Monitor ~~can not~~ cannot reasonably prepare and deliver the requested confidential information within such five (5) day period, it shall, within such period, provide the Authorized Commission ~~Person~~ with a written schedule for the provision of such remaining confidential information. Upon providing confidential information to the Authorized Commission ~~Person~~, the Office of the Interconnection and/or the PJM Market Monitor shall either provide a copy of the confidential information to the Affected Member(s), or provide a listing of the confidential information disclosed; provided, however, that the Office of the Interconnection and/or the PJM Market Monitor shall not reveal any Member's confidential information to any other Member.

- (iii) Notwithstanding section (c)(ii), above, should the Office of the Interconnection, the PJM Market Monitor or an Affected Member object to an Information Request or any portion thereof, any either of them may, within four (4) business days following the Office of the Interconnection's and/or the PJM Market Monitor's receipt of the Information Request, request, in writing, a conference with the Authorized Commission ~~or the Authorized Commission's authorized designee~~ to resolve differences concerning the scope or timing of the Information Request; provided, however, nothing herein shall require the Authorized Commission to participate in any conference. Any party to the conference may seek assistance from FERC staff in resolution of the dispute or terminate the conference process at any time. Should such conference be refused or terminated by any participant; or should such conference not resolve the dispute, then the Office of the Interconnection, ~~the Affected Member or the Authorized Commission~~ may initiate appropriate legal action at FERC within three (3) PJM Market Monitor, or the Affected Member may file a complaint with the Commission pursuant to Rule 206 objecting to the Information Request within ten (10) business days following receipt of written notice from any conference participant terminating such conference. Any complaints filed at FERC objecting to a particular Information Request shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. ~~If no FERC proceeding regarding the Information Request is commenced within such three~~ The grounds for such a complaint shall be limited to the following: (a) the Authorized Commission is no longer able to preserve the confidentiality of the requested information due to changed circumstances relating to the Authorized Commission's ability to protect confidential information arising since the filing of or rejection of a protest directed to the Authorized Commission's Certification; (b) complying with the Information Request would be unduly burdensome to the complainant, and the complainant has made a good faith effort to negotiate limitations in the scope of the requested information; or (c) other exceptional circumstances exist such that complying with the Information Request would result in harm to the complainant. There shall be a presumption that "exceptional circumstances," as used in the prior sentence, does not include circumstances in which an Authorized Commission has requested wholesale market data (or PJM Market Monitor workpapers that support or explain conclusions or analyses) generated in the ordinary course and scope of the operations of the Office of the Interconnection and/or the PJM Market Monitor. There shall be a presumption that circumstances in which an Authorized Commission has requested personnel files, internal emails and internal company memos, analyses and related work product constitute "exceptional circumstances" as used in the prior sentence.

If no complaint challenging the Information Request is filed within the ten (10) day period defined above, the Office of the Interconnection and/or PJM Market Monitor shall utilize its best efforts to respond to the Information Request promptly. If a complaint is filed, and the Commission does not act on that complaint within ninety (90) days, the complaint shall be deemed denied and the Office of Interconnection and/or PJM Market Monitor shall use its best efforts to respond to the Information Request promptly.

(iv) Any Authorized Commission may initiate appropriate legal action at FERC within ten (10) business days following receipt of information designated as "Confidential," challenging such designation. Any complaints filed at FERC objecting to the designation of information as "Confidential" shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. The party filing such a complaint shall be required to prove that the material disclosed does not merit "Confidential" status because it is publicly available from other sources or contains no trade secret or other sensitive commercial information (with "publicly available" not being deemed to include unauthorized disclosures of otherwise confidential data).

(d) In the event of any breach of confidentiality of information disclosed pursuant to an Information Request by an Authorized Commission or Authorized Person: ~~a Non-Disclosure Agreement:~~

(i) The Authorized Commission Person ~~and/or their respective~~ Authorized Person Commission shall promptly notify the Office of the Interconnection and/or the PJM Market Monitor, who shall, in turn, promptly notify any Affected Member of any inadvertent or intentional release, or possible release, of confidential information provided pursuant to this section ~~any Non-Disclosure Agreement~~.

(ii) The Office of the Interconnection and/or PJM Market Monitor shall terminate ~~such Non-Disclosure Agreement upon written notice to the Authorized Person and his or her Authorized Commission, and all rights of the Authorized Person thereunder shall thereupon terminate; provided, however, that the Office of the Interconnection may restore an individual's status as an Authorized Person after consulting with the Affected Member and to the extent that: (i) the Office of the Interconnection determines that the disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Person; (ii) there were no harm or damages~~ the right of such Authorized Commission to receive confidential information under this section upon written notice to such Authorized Commission unless: (i) there was no harm or damage suffered by the Affected Member; or (iii) similar good cause is shown. Any appeal of the Office of the Interconnection's and/or the PJM Market

Monitor's actions under this section shall be to FERC. An Authorized Commission shall be entitled to reestablish its certification as set forth in Section 18.17.4(a) by submitting a filing with the Commission showing that it has taken appropriate corrective action. If the Commission does not act upon an Authorized Commission's re-certification filing with sixty (60) days of the date of the filing, the re-certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section.

- (iii) The Office of the Interconnection, the PJM Market Monitor, and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief with respect to any breach; and (c) the immediate return of all confidential information to the Office of the Interconnection and/or the PJM Market Monitor.
- (iv) No Authorized Person or Authorized Commission shall have responsibility or liability whatsoever under ~~the Non-Disclosure Agreement or this section Agreement~~ for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with the release of confidential information to persons not authorized to receive it, provided that such Authorized Person is an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release. Nothing in this Section (d)(iv) is intended to limit the liability of any person who is not an agent, servant, employee ~~of or a~~ member of an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
- (v) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.5 Market Monitoring.

- a) Subject to the requirements of section 18.17.5(b), the PJM Market Monitor and PJM may release confidential information of Public Service Electric & Gas Company (“PSE&G”), Consolidated Edison Company of New York (“ConEd”), and their affiliates, and the confidential information of any Member regarding generation and/or transmission facilities located within the PSE&G Zone to the market monitoring unit of the new York Independent System Operator, Inc. (“New York ISO”) and the New York ISO Market Advisor to the limited extent that the PJM Market Monitor determines necessary to carry out the responsibilities of the market monitoring units of PJM and the New York ISO under FERC Opinion No. 476 (see Consolidated Edison Company v. Public Service Electric and Gas Company, et al., 108 FERC ¶ 61,120, at P 215 (2004)) to conduct joint investigations to ensure that gaming, abuse of market

SCHEDULE 10

FORM OF NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (the “Agreement”) is made this ___ day of _____, 2007~~4~~, by and between _____, an Authorized Person, as defined below, ~~of _____ (the “State Commission”) having jurisdiction within the State of _____, with offices at _____~~ and PJM Interconnection, L.L.C., a Delaware limited liability company, with offices at 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, PA 10403 (“PJM”). The Authorized Person ~~State Commission~~ and PJM shall be referred to herein individually as a “Party,” or collectively as the “Parties.”

RECITALS

Whereas, PJM serves as the Regional Transmission Organization with reliability and/or functional control responsibilities over transmission systems involving fourteen states including the District of Columbia, and operates and oversees wholesale markets for electricity pursuant to the requirements of the PJM Tariff and the Operating Agreement, as defined below; and

Whereas, the PJM Market Monitor serves as the monitor for PJM’s wholesale markets for electricity, and

Whereas, the Operating Agreement requires that PJM and the PJM Market Monitor maintain the confidentiality of Confidential Information; and

Whereas, the Operating Agreement requires PJM and the PJM Market Monitor to disclose Confidential Information to Authorized Persons upon satisfaction of conditions stated in the Operating Agreement, which may include~~including~~, but are not limited to, the execution of this Agreement by the Authorized Person and the maintenance of the confidentiality of such information pursuant to the terms of this Agreement; and

Whereas, PJM desires to provide Authorized Persons with the broadest possible access to Confidential Information, consistent with PJM’s and the PJM Market Monitor’s obligations and duties under the PJM Operating Agreement, the PJM Tariff and other applicable FERC directives; and

Whereas, this Agreement is a statement of the conditions and requirements, consistent with the requirements of the Operating Agreement, whereby PJM or the PJM Market Monitor may provide Confidential Information to the Authorized Person.

NOW, THEREFORE, intending to be legally bound, the Parties hereby agree as follows:

1. DEFINITIONS.

- 1.1 Affected Member.** A Member of PJM which as a result of its participation in PJM's markets or its membership in PJM provided Confidential Information to PJM, which Confidential Information is requested by, or is disclosed to an Authorized Person under this Agreement.
- 1.2 Authorized Commission.** (i) A State (which shall include the District of Columbia) public utility commission within the geographic limits of the PJM Region (as that term is defined in the Operating Agreement) that regulates the distribution or supply of electricity to retail customers and is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State or (ii) an association or organization comprised exclusively of State public utility commissions described in the immediately preceding clause (i).
- 1.3 Authorized Person.** A person, including the undersigned, which has executed this Agreement and is authorized in writing by an Authorized Commission to receive and discuss Confidential Information. Authorized Persons may include attorneys representing an Authorized Commission, or consultants and/or contractors directly employed or retained by an Authorized Commission, provided however that consultants or contractors may not initiate requests for Confidential Information from PJM or the PJM Market Monitor.
- 1.4 Confidential Information.** Any information that would be considered non-public or confidential under the Operating Agreement.
- 1.5 FERC.** The Federal Energy Regulatory Commission.
- 1.6 Information Request.** A written request, in accordance with the terms of this Agreement for disclosure of Confidential Information pursuant to Section 18.17.4 of the Operating Agreement.
- 1.7 Operating Agreement.** The Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., as it may be further amended or restated from time to time.
- 1.8 PJM Market Monitor.** The Market Monitoring Unit established under Attachment M to the PJM Tariff.
- 1.9 PJM Tariff.** The PJM Open Access Transmission Tariff, as it may be amended from time to time.
- 1.10 Third Party Request.** Any request or demand by any entity upon an Authorized Person or an Authorized Commission for release or disclosure of Confidential Information. A Third Party Request shall include, but shall not be limited to, any subpoena, discovery request, or other request for Confidential Information made by any: (i) federal, state, or local governmental subdivision, department, official, agency or court, or (ii) arbitration panel, business, company, entity or individual.

2. Protection of Confidentiality.

2.1 Duty to Not Disclose. The Authorized Person represents and warrants that he or she: (i) is presently an Authorized Person as defined herein; (ii) is duly authorized to enter into and perform this Agreement; (iii) has adequate procedures to protect against the release of Confidential Information, and (iv) is familiar with, and will comply with, all such applicable ~~State~~-Authorized Commission procedures. The Authorized Person hereby covenants and agrees on behalf of himself or herself to deny any Third Party Request and defend against any legal process which seeks the release of Confidential Information in contravention of the terms of this Agreement.

2.2 Discussion of Confidential Information with Other Authorized Persons. The Authorized Person may discuss Confidential Information with employees of the Authorized Commission who have been designated Authorized Persons pursuant to the Operating Agreement and with such other third-party. ~~**Conditions Precedent.** As a condition of the execution, delivery and effectiveness of this Agreement by PJM and the continued provision of Confidential Information pursuant to the terms of this Agreement, the Authorized Commission shall, prior to the initial oral or written request for Confidential Information by an Authorized Person on its behalf, provide PJM with: (a) a final order of FERC prohibiting the release by the Authorized Person or the State Commission of Confidential Information in accordance with the terms of the Operating Agreement and this Agreement; and (b) either an order of the State Commission or a certification from counsel to the State Commission, confirming that the State Commission has statutory authority to protect the confidentiality of the Confidential Information from public release or disclosure and from release or disclosure to any other entity, and that it has adequate procedures to protect against the release of Confidential Information; and (c) confirmation in writing that the Authorized Person is authorized by the State Commission to enter into this Agreement and to receive Confidential Information under the Operating Agreement. PJM and the PJM Market Monitor shall be expressly entitled to rely upon such FERC and State Commission orders and/or certifications of counsel in providing Confidential Information to the Authorized Person, and shall in no event be liable, or subject to damages or claims of any kind or nature hereunder or pursuant to the Operating Agreement, due to the ineffectiveness of the FERC and/or State Commission orders, or the inaccuracy of such certification of counsel.~~

~~**2.3 Discussion of Confidential Information with other Authorized Persons.** The Authorized Person may discuss Confidential Information with other Authorized Persons who have executed non-disclosure agreements with PJM containing the same terms and conditions as this Agreement; provided, however, that PJM shall have confirmed in advance and in writing that PJM has previously released the Confidential Information in question to such Authorized Persons. PJM shall respond to any written request for confirmation within two (2) business days of its receipt.~~

2.34 Defense Against Third Party Requests. The Authorized Person shall defend against any disclosure of Confidential Information pursuant to any Third Party Request through all available legal process, including, but not limited to, [seeking to obtain](#) ~~obtaining~~ any necessary protective orders. The Authorized Person shall provide PJM, and PJM shall provide each Affected Member, with prompt notice of any such Third Party Request or legal proceedings, and shall consult with PJM and/or any Affected Member in its efforts to deny the request or defend against such legal process. In the event a protective order or other remedy is denied, the Authorized Person agrees to furnish only that portion of the Confidential Information which their legal counsel advises PJM (and of which PJM shall, in turn, advise any Affected Members) in writing is legally required to be furnished, and to exercise their best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.

2.45 Care and Use of Confidential Information.

2.45.1 Control of Confidential Information. The Authorized Person(s) shall be the custodian(s) of any and all Confidential Information received pursuant to the terms of this Agreement from PJM or the PJM Market Monitor.

2.45.2 Access to Confidential Information. The Authorized Person shall ensure that Confidential Information received by that Authorized Person is disseminated only to those persons publicly identified as Authorized Persons on Exhibit "A" to the certification provided by the State Commission to PJM pursuant to the procedures contained in section [18.17.42.3](#) of the [is Operating Agreement](#).

2.45.3 Schedule of Authorized Persons.

- (i) The Authorized Person shall promptly notify PJM [and the PJM Market Monitor](#) of any change that would affect the Authorized Person's status as an Authorized Person, and in such event shall request, in writing, deletion from the schedule referred to in section (ii), below.
- (ii) PJM shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on the PJM website and/or by written request. Such schedule shall be compiled by PJM, based on information provided by any Authorized Person and/or Authorized Commission. PJM shall update the schedule promptly upon receipt of information from an Authorized Person or Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by PJM in the compilation and/or maintenance of the schedule.

- 2.45.4 Use of Confidential Information.** The Authorized Person shall use the Confidential Information solely for the purpose of assisting the Authorized State—Commission in discharging its legal responsibility to monitor the wholesale and retail electricity markets, operations, transmission planning and siting and generation planning and siting materially affecting retail customers within the State, and for no other purpose.
- 2.45.5 Return of Confidential Information.** Upon completion of the inquiry or investigation referred to in the Information Request, or for any reason the Authorized Person is, or will no longer be an Authorized Person, the Authorized Person shall (a) return the Confidential Information and all copies thereof to PJM and/or the PJM Market Monitor, or (b) provide a certification that the Authorized Person has destroyed all paper copies and deleted all electronic copies of the Confidential Information. PJM and/or the PJM Market Monitor, as applicable, may waive this condition in writing if such Confidential Information has become publicly available or non-confidential in the course of business or pursuant to the PJM Tariff, PJM rule or order of the FERC.
- 2.45.6 Notice of Disclosures.** The Authorized Person, directly or through the Authorized Commission, shall promptly notify PJM and/or the PJM Market Monitor, and PJM and/or the PJM Market Monitor shall promptly notify any Affected Member, of any inadvertent or intentional release or possible release of the Confidential Information provided pursuant to this Agreement. The Authorized Person shall take all steps to minimize any further release of Confidential Information, and shall take reasonable steps to attempt to retrieve any Confidential Information that may have been released.
- 2.56 Ownership and Privilege.** Nothing in this Agreement, or incident to the provision of Confidential Information to the Authorized Person pursuant to any Information Request, is intended, nor shall it be deemed, to be a waiver or abandonment of any legal privilege that may be asserted against subsequent disclosure or discovery in any formal proceeding or investigation. Moreover, no transfer or creation of ownership rights in any intellectual property comprising Confidential Information is intended or shall be inferred by the disclosure of Confidential Information by PJM and/or the PJM Market Monitor, and any and all intellectual property comprising Confidential Information disclosed and any derivations thereof shall continue to be the exclusive intellectual property of PJM the PJM Market Monitor (to the extent that it owns any intellectual property), and/or the Affected Member.

[Reserved for Future Use]

~~3. Procedure for Information Requests.~~

~~3.1 Written Requests. Information Requests to PJM shall be in writing, which shall include electronic communications, addressed to the PJM Market Monitor or other PJM representatives as specified by PJM, with a concurrent copy to PJM's General Counsel, and shall: (a) describe with particularity the information sought; (b) provide a description of the purpose of the Information Request; (c) state the time period for which information is requested; and (d) re-affirm that only the Authorized Person shall have access to the Confidential Information requested. PJM shall provide an Affected Member with written notice, which shall include electronic communication, of an Information Request of the Authorized Person as soon as possible, but not later than two (2) business days after the receipt of the Information Request.~~

~~3.2 Oral Disclosures by the PJM Market Monitor. The PJM Market Monitor or other PJM representatives as specified by PJM may, in the course of discussions with an Authorized Person, orally disclose information otherwise required to be maintained in confidence, without the need for a prior Information Request. Such oral disclosures shall provide enough information to enable the Authorized Person or the State Commission to determine whether additional Information Requests for information are appropriate. The PJM Market Monitor or other PJM representative will not make any written or electronic disclosures of Confidential Information to the Authorized Person pursuant to this section. In any such discussions, the PJM Market Monitor or other PJM representative shall ensure that the individual or individuals receiving such Confidential Information are Authorized Persons under this Agreement, orally designate Confidential Information that is disclosed, and refrain from identifying any specific Affected Member whose information is disclosed. The PJM Market Monitor or other PJM representative shall also be authorized to assist Authorized Persons in interpreting Confidential Information that is disclosed. PJM or the PJM Market Monitor shall (i) maintain a written record of oral disclosures pursuant to this section, which shall include the date of each oral disclosure and the Confidential Information disclosed in each such oral disclosure, and (ii) provide any Affected Member with oral notice of any oral disclosure immediately, but not later than one (1) business day after the oral disclosure. Such oral notice to the Affected Member shall include the substance of the oral disclosure, but shall not reveal any Confidential Information of any other Member and must be received by the Affected Member before the name of the Affected Member is released to the Authorized Person; provided however, the identity of the Affected Party must be made available to the Authorized Person within two (2) business days of the initial oral disclosure.~~

[Reserved for Future Use]

~~3.3 — Response to Information Requests.~~

~~3.3.1 Subject to the provisions of Section 3.3.2 below, PJM shall supply Confidential Information to the Authorized Person in response to any Information Request within five (5) business days of the receipt of the Information Request, to the extent that the requested Confidential Information can be made available within such period; provided however, that in no event shall Confidential Information be released prior to the end of the fourth (4th) business day without the express consent of the Affected Member. To the extent that PJM can not reasonably prepare and deliver the requested Confidential Information within such five (5) day period, PJM shall, within such period, provide the Authorized Person with a written schedule for the provision of such remaining Confidential Information. Upon providing Confidential Information to the Authorized Person, PJM shall either provide a copy of the Confidential Information to the Affected Member(s), or provide a listing of the Confidential Information disclosed; provided, however, that PJM shall not reveal any Member's Confidential Information to any other Member.~~

~~3.3.2 Notwithstanding section 3.3.1, above, should PJM or an Affected Member object to an Information Request or any portion thereof, PJM or the Affected Member may, within four (4) business days following PJM's receipt of the Information Request, request, in writing (which shall include electronic communication) addressed to the State Commission with a copy to either the Affected Party or PJM, as the case may be, a conference with the State Commission or the State Commission's authorized designee to resolve differences concerning the scope or timing of the Information Request; provided, however, nothing herein shall require the State Commission to participate in any conference. Any party to the conference may seek assistance from FERC staff in resolution of the dispute. Should such conference be refused by any participant, or not resolve the dispute, then PJM, the Affected Member or the State Commission may initiate appropriate legal action at FERC within three (3) business days following receipt of written notice from any conference participant terminating such conference. Any complaints filed at FERC objecting to a particular Information Request shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. If no FERC proceeding regarding the Information Request is commenced by PJM, the Affected Member or the State Commission within such three day period, PJM shall utilize its best efforts to respond to the Information Request promptly.~~

~~3.3.3 To the extent that a response to any Information Request requires disclosure of Confidential Information of two or more Affected Parties, PJM shall, to the extent possible, segregate such information and respond to the Information Request separately for each Affected Member.~~

34. Remedies.

34.1 Material Breach. The Authorized Person agrees that release of Confidential Information to persons not authorized to receive it constitutes a breach of this Agreement and may cause irreparable harm to PJM and/or the Affected Member. In the event of a breach of this Agreement by the Authorized Person, PJM shall terminate this Agreement upon written notice to the Authorized Person and his or her Authorized Commission, and all rights of the Authorized Person hereunder shall thereupon terminate; provided, however, that PJM may restore an individual's status as an Authorized Person after consulting with the Affected Member and to the extent that: (i) PJM determines that the disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Person; (ii) there were no harm or damages suffered by the Affected Member; or (iii) similar good cause shown. Any appeal of PJM's actions under this section shall be to FERC.

34.2 Judicial Recourse. In the event of any breach of this Agreement, PJM and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief with respect to any breach; and (c) the immediate return of all Confidential Information to PJM. The Authorized Person expressly agrees that in the event of a breach of this Agreement, any relief sought properly includes, but shall not be limited to, the immediate return of all Confidential Information to PJM.

34.3 Waiver of Monetary Damages. No Authorized Person shall have responsibility or liability whatsoever under this Agreement for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of, or in connection with, the release of Confidential Information to persons not authorized to receive it, ~~provided that such Authorized Person is an employee or member of an Authorized Commission at the time of such unauthorized release.~~ Nothing in this Section 43.3 is intended to limit the liability of any person who is not under contract to provide services to an employee of or a member of an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.

45. Jurisdiction. The Parties agree that (i) any dispute or conflict requesting the relief in sections 43.1, and 43.2(a) above shall be submitted to FERC for hearing and resolution; (ii) any dispute or conflict requesting the relief in section 43.2(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution; and (iii) jurisdiction over all other actions and requested relief shall lie in any court of competent jurisdiction.

56. Notices. All notices required pursuant to the terms of this Agreement shall be in writing, and served upon the following individuals in person, or at the following addresses or email addresses:

If to the Authorized Person:

(email address)

with a copy to

(email address)

If to PJM:

~~Market Monitor
PJM Interconnection, LLC
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403
bowrij@pjm.com~~

~~with a copy to~~

General Counsel
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403
duanevhagelj@pjm.com

[If to the PJM Market Monitor:](#)

[Monitoring Analytics, LLC](#)
[\[address and contact information\]](#)

- 67. Severability and Survival.** In the event any provision of this Agreement is determined to be unenforceable as a matter of law, the Parties intend that all other provisions of this Agreement remain in full force and effect in accordance with their terms. In the event of conflicts between the terms of this Agreement and the Operating Agreement, the terms of the Operating Agreement shall in all events be controlling. The Authorized Person acknowledges that any and all obligations of the Authorized Person hereunder shall survive the severance or termination of any employment or retention relationship between the Authorized Person and their respective Authorized Commission.
- 78. Representations.** The undersigned represent and warrant that they are vested with all necessary corporate, statutory and/or regulatory authority to execute and deliver this Agreement, and to perform all of the obligations and duties contained herein.
- 89. Third Party Beneficiaries.** The Parties specifically agree and acknowledge that each Member as defined in the Operating Agreement is an intended third party beneficiary of this Agreement entitled to enforce its provisions.
- 910. Counterparts.** This Agreement may be executed in counterparts and all such counterparts together shall be deemed to constitute a single executed original.
- 101. Amendment.** This Agreement may not be amended except by written agreement executed by authorized representatives of the Parties.

PJM INTERCONNECTION, L.L.C.

By:

Name:

Title:

AUTHORIZED PERSON

By:

Name:

Title:

SCHEDULE 10A

FORM OF CERTIFICATION

This Certification (the “Certification”) is given this ___ day of _____, 200_, by _____, a _____ (the “Authorized State Commission”), to and for the benefit of PJM Interconnection, LLC (“PJM”) and its Members. The Authorized State Commission and PJM shall be referred to herein collectively as the “Parties”.

Whereas, the State-Authorized Commission has designated the individuals on attached Exhibit “A” (the “Authorized Persons”) to receive Confidential Information from PJM; and and/or the PJM Market Monitor, such Exhibit A to be updated from time to time, and

~~**Whereas**, the Authorized Persons and PJM have, or will, enter into non-disclosure agreements, governing the rights and obligations of the Authorized Persons, PJM and others regarding the Authorized Persons’ access to, provision of, use and control of the Confidential Information (the “Non-Disclosure Agreements”), and~~

Whereas, as a condition precedent to the ~~execution of the Non-Disclosure Agreements and~~ provision of Confidential Information to the Authorized Persons, the State-Authorized Commission is required to make certain representations and warranties to PJM, and

Whereas, PJM and/or the PJM Market Monitor ~~agrees to will~~ provide Confidential Information to the ~~Authorized Persons, in their capacity as agents of the~~ Authorized Commission, subject to the terms of this Certification, ~~the Non-Disclosure Agreements, and an appropriate order of the Federal Energy Regulatory Commission protecting the confidentiality of such data; and~~

Whereas, the Parties desire to set forth those representations and warranties herein.

Now, therefore, the State-Authorized Commission hereby makes the following representations and warranties, all of which shall be true and correct as of the date of execution of this Certification, and at all times thereafter, and with the express understanding that PJM, the PJM Market Monitor, and any Affected Member shall rely on each representation and/or warranty:

1. **Definitions.** Terms contained, but not defined, herein shall have the definitions or meanings ascribed to such terms in ~~the Non-Disclosure Agreement or~~ the Operating Agreement.
2. **Requisite Authority.**
 - a. The ~~State Commission is an~~ Authorized Commission hereby certifies that it has all necessary legal authority to execute, deliver, and perform the obligations in this Certification.

- b. ~~Each Authorized Person is, at the time of the execution of this Certification, an employee of, or consultant to, the State Commission, and has not materially breached any existing or past non-disclosure agreement or obligation, except as has been disclosed by the State Commission to PJM in writing.~~
- e. ~~The Authorized Persons have, through all necessary action of the State Authorized Commission, been appointed and directed by the State Authorized Commission to execute and deliver the Non-Disclosure Agreements to PJM and~~ receive Confidential Information on the State Authorized Commission's behalf and for its benefit.
- cd. The ~~State~~-Authorized Commission will, at all times after the provision of Confidential Information to the Authorized Persons, provide PJM with: (i) written notice of any changes in ~~any the~~ Authorized Person's² qualification as an Authorized Person within two (2) business days of such change; (ii) written confirmation to any inquiry by PJM regarding the status or identification of any specific Authorized Person within two (2) business days of such request, and (iii) periodic written updates, no less often than semi-annually, containing the names of all Authorized Persons appointed by the ~~State~~-Authorized Commission.

3. Protection of Confidential Information.

- a. The ~~State~~-Authorized Commission has adequate internal procedures, to protect against the release of any Confidential Information by the Authorized Persons or other employee or agent of the ~~State~~-Authorized Commission, and the ~~State~~-Authorized Commission and the Authorized Persons will strictly enforce and periodically review all such procedures. ~~In the event that PJM terminates an Agreement with an Authorized Person, and does not restore such individual's status as an Authorized Person, then the State Commission shall review such internal procedures.~~
- b. The ~~State~~-Authorized Commission has legal authority to protect the confidentiality of Confidential Information from public release or disclosure and/or from release or disclosure to any other person or entity, either by the ~~State~~-Authorized Commission or the Authorized Persons, as agents of the ~~State~~-Authorized Commission.
- c. The ~~State~~-Authorized Commission shall ensure that Confidential Information ~~and~~ shall be maintained by, and accessible only to, the Authorized Persons.

4. **Defense Against Requests for Disclosure.** The ~~State~~-Authorized Commission shall, unless precluded from doing so by law, use reasonable efforts to defend against, and ~~will~~-direct ~~the~~-Authorized Persons to defend against, disclosure of any Confidential Information pursuant to any Third Party Request through all available legal process, including, but not limited to, obtaining any necessary protective orders. The ~~State~~ Authorized Commission shall provide PJM and/or the PJM Market Monitor with prompt notice of any such Third Party Request or legal proceedings, and shall consult with PJM, the PJM Market Monitor, and/or any Affected Member in its efforts to deny the request or defend against such legal process. In the event a protective order or other remedy is denied, the ~~State~~-Authorized Commission agrees to furnish only that portion of the Confidential Information which their legal counsel advises PJM and/or the PJM Market Monitor (and of which PJM and/or the PJM Market Monitor shall, in turn, advise any Affected Member) in writing is legally required to be furnished, and to exercise their best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.
5. **Use and Destruction of Confidential Information.**
- a. The ~~State~~-Authorized Commission shall use, and allow the use of, the Confidential Information solely for the purpose of discharging its legal responsibility to ~~monitor the~~ examine and evaluate wholesale and retail electricity markets, operations, transmission planning and siting and generation planning and siting materially affecting retail customers within their respective State, and for no other purpose.
- b. Upon completion of the inquiry or investigation referred to in any Information Request initiated by or on behalf of the ~~State~~-Authorized Commission, or for any reason any Authorized Person is, or will no longer be an Authorized Person, the ~~State~~-Authorized Commission will ensure that such Authorized Person either (a) returns the Confidential Information and all copies thereof to PJM and/or the PJM Market Monitor, or (b) provides a certification that the Authorized Person and/or the ~~State~~-Authorized Commission (i) has destroyed all paper copies and deleted all electronic copies of the Confidential Information or (ii) that any information required by any provision of state law to be retained will continue to be protected from disclosure.
6. **Notice of Disclosure of Confidential Information.** The State Commission shall promptly notify PJM and/or the PJM Market Monitor of any inadvertent or intentional release or possible release of the Confidential Information provided to any Authorized Person, and shall take all available steps to minimize any further release of Confidential Information and/or retrieve any Confidential Information that may have been released.

7. **Release of Claims.** PJM and the PJM Market Monitor shall be expressly entitled to rely upon any ~~orders of FERC and/or the State~~ Authorized Commission Certification or certifications of counsel for the State Commission, in providing Confidential Information to the Authorized Commission Persons, and shall in no event be liable, or subject to damages or claims of any kind or nature due to the ineffectiveness or inaccuracies of such orders, or the inaccuracy of such certification of counsel, or PJM or the PJM Market Monitor's reliance on such orders, and the ~~State~~ Authorized Commission hereby waives any such claim, now or in the future, whether known or unknown.
8. **Ownership and Privilege.** Nothing in this Certification, or incident to the provision of Confidential Information to the Authorized Commission Person pursuant to any Information Request, is intended, nor shall it be deemed, to be a waiver or abandonment of any legal privilege that may be asserted against subsequent disclosure or discovery in any formal proceeding or investigation. Moreover, no transfer or creation of ownership rights in any intellectual property comprising Confidential Information is intended or shall be inferred by the disclosure of Confidential Information by PJM and/or the PJM Market Monitor, and any and all intellectual property comprising Confidential Information disclosed and any derivations thereof shall continue to be the exclusive intellectual property of PJM the PJM Market Monitor, and/or the Affected Member.

Executed, as of the date first set out above.

[Commission]

By: _____
Its: _____

SEE NEXT PAGE

EXHIBIT A
CERTIFICATION
LIST OF AUTHORIZED PERSONS

<u>Name</u>	<u>Mailing Address</u>	<u>Email</u>	<u>Tel #</u>	<u>Scope and Duration of Authority</u>
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1.4A Authorized Commission.

“Authorized Commission” shall mean (i) a State public utility commission within the geographic limits of the PJM Region that regulates the distribution or supply of electricity to retail customers and is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State or (ii) an association or organization comprised exclusively of State public utility commissions described in the immediately preceding clause (i).

1.4B Authorized Person.

“Authorized Person” shall have the meaning set forth in Section 18.17.4.

1.5 Board Member.

“Board Member” shall mean a member of the PJM Board.

1.5A Applicable Regional Reliability Council.

“Applicable Regional Reliability Council” shall mean the reliability council for the region in which a Member operates.

1.5B Behind The Meter Generation.

“Behind The Meter Generation” refers to a generating unit that delivers energy to load without using the Transmission System or any distribution facilities (unless the entity that owns or leases the distribution facilities has consented to such use of the distribution facilities and such consent has been demonstrated to the satisfaction of the Office of the Interconnection); provided, however, that Behind The Meter Generation does not include (i) at any time, any portion of such generating unit’s capacity that is designated as a Generation Capacity Resource, or (ii) in any hour, any portion of the output of such generating unit[s] that is sold to another entity for consumption at another electrical location or into the PJM Interchange Energy Market.

Members attending. The Office of the Interconnection shall reimburse all Board Members for their reasonable costs of attending meetings.

18.14 Notice.

(a) Except as otherwise expressly provided herein, notices required under this Agreement shall be in writing and shall be sent to a Member by overnight courier, hand delivery, telecopier or other reliable electronic means to the representative on the Members Committee of such Member at the address for such Member previously provided by such Member to the Office of the Interconnection. Any such notice so sent shall be deemed to have been given (i) upon delivery if given by overnight couriers or hand delivery, or (ii) upon confirmation if given by telecopier or other reliable electronic means. Notices of meetings of the Members Committee or committees, subcommittees, task forces, working groups and other bodies under its auspices may be given as provided in the Members Committee by-laws.

(b) Notices, as well as copies of the agenda and minutes of all meetings of committees, subcommittees, task forces, working groups, User Groups, or other bodies formed under this Agreement, shall be posted in a timely fashion on and made available for downloading from the PJM website.

18.15 Headings.

The section headings used in this Agreement are for convenience only and shall not affect the construction or interpretation of any of the provisions of this Agreement.

18.16 No Third-Party Beneficiaries.

This Agreement is intended to be solely for the benefit of the Members and their respective successors and permitted assigns and, unless expressly stated herein, is not intended to and shall not confer any rights or benefits on any third party (other than successors and permitted assigns) not a signatory hereto.

18.17 Confidentiality.

18.17.1 Party Access.

(a) No Member shall have a right hereunder to receive or review any documents, data or other information of another Member, including documents, data or other information provided to the Office of the Interconnection and/or the PJM Market Monitor, to the extent such documents, data or information have been designated as confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the PJM Market Monitor or to the extent that they have been designated as confidential by such other Member; provided, however, a Member may receive and review any composite documents, data and other information that may be developed based on such confidential documents, data or information if the composite does not disclose any individual Member's confidential data or information.

(b) Except as may be provided in this Agreement or in the PJM Open Access Transmission Tariff, the Office of the Interconnection and/or the PJM Market Monitor shall not disclose to its Members or to third parties, any documents, data, or other information of a Member or entity applying for Membership, to the extent such documents, data, or other information has been designated confidential pursuant to the procedures adopted by the Office of the Interconnection and/or the PJM Market Monitor or by such Member or entity

applying for membership; provided that nothing contained herein shall prohibit the Office of the Interconnection and/or the PJM Market Monitor from providing any such confidential information to its agents, representatives, or contractors to the extent that such person or entity is bound by an obligation to maintain such confidentiality; provided further that nothing contained herein shall prohibit the Office of the Interconnection from providing Member confidential information to the North American Electric Reliability Council or any of its regional reliability councils, or to any reliability coordinator, to the extent that (i) the Office of the Interconnection determines in its reasonable discretion that the exchange of such information is required to enhance and/or maintain reliability within the Members' Applicable Regional Reliability Councils and their neighboring reliability councils, or within the region of any reliability coordinator, (ii) such entity is bound by a written agreement to maintain such confidentiality, and (iii) the Office of the Interconnection has notified the affected party of its intention to release such information no less than five business days prior to the release. The Office of the Interconnection and/or the PJM Market Monitor shall collect and use confidential information only in connection with its authority under this Agreement and the Open Access Transmission Tariff and the retention of such information shall be in accordance with PJM's data retention policies.

(c) Nothing contained herein shall prevent the Office of the Interconnection and/or the PJM Market Monitor from releasing a Member's confidential data or information to a third party provided that the Member has delivered to the Office of the Interconnection and/or the PJM Market Monitor specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized. The Office of the Interconnection and/or the PJM Market Monitor shall limit the release of a Member's confidential data or information to that specific authorization received from the Member. Nothing herein shall prohibit a Member from withdrawing such authorization upon written notice to the Office of the Interconnection and/or the PJM Market Monitor, who shall cease such release as soon as practicable after receipt of such withdrawal notice.

18.17.2 Required Disclosure.

(a) Notwithstanding anything in the foregoing Section to the contrary, and subject to the provisions of Section 18.17.3, if a Member, the Office of the Interconnection, and/or the PJM Market Monitor is required by applicable law, or in the course of administrative or judicial proceedings, to disclose to third parties, information that is otherwise required to be maintained in confidence pursuant to this Agreement, that Member, the Office of the Interconnection, and/or the PJM Market Monitor may make disclosure of such information; provided, however, that as soon as the Member, the Office of the Interconnection, and/or the PJM Market Monitor learns of the disclosure requirement and prior to making disclosure, that Member, the Office of the Interconnection, and/or the PJM Market Monitor shall notify the affected Member or Members of the requirement and the terms thereof and the affected Member or Members may direct, at their sole discretion and cost, any challenge to or defense against the disclosure requirement. The disclosing Member, the Office of the Interconnection, and/or the PJM Market Monitor shall cooperate with such affected Members to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. Each Member, the Office of the Interconnection, and/or the PJM Market Monitor shall cooperate with the affected Members to obtain proprietary or confidential treatment of such information by the person to whom such information is disclosed prior to any such disclosure.

(b) Nothing in this Section 18.17 shall prohibit or otherwise limit the Office of the Interconnection's and/or the PJM Market Monitor's use of information covered herein if such information was: (i) previously

known to the Office of the Interconnection and/or the PJM Market Monitor without an obligation of confidentiality; (ii) independently developed by or for the Office of the Interconnection and/or the PJM Market Monitor using nonconfidential information; (iii) acquired by the Office of the Interconnection and/or the PJM Market Monitor from a third party which is not, to the Office of the Interconnection's or PJM Market Monitor's knowledge, under an obligation of confidence with respect to such information; (iv) which is or becomes publicly available other than through a manner inconsistent with this Section 18.17.

(c) The Office of the Interconnection and/or the PJM Market Monitor shall impose on any contractors retained to provide technical support or otherwise to assist with the implementation or administration of this Agreement or of the Open Access Transmission Tariff a contractual duty of confidentiality consistent with this Agreement. A Member shall not be obligated to provide confidential or proprietary information to any contractor that does not assume such a duty of confidentiality, and the Office of the Interconnection and/or the PJM Market Monitor shall not provide any such information to any such contractor without the express written permission of the Member providing the information.

18.17.3 Disclosure to FERC.

(a) Notwithstanding anything in this Section to the contrary, if the FERC or its staff, during the course of an investigation or otherwise, requests information from the Office of the Interconnection and/or the PJM Market Monitor that is otherwise required to be maintained in confidence pursuant to this Agreement, the Office of the Interconnection and/or the PJM Market Monitor shall provide the requested information to the FERC or its staff, within the time provided for in the request for information. In providing the information to the FERC or its staff, the Office of the Interconnection and/or the PJM Market Monitor may, consistent with 18 C.F.R. § 388.112, request that the information be treated as confidential and non-public by the FERC and its staff and that the information be withheld from public disclosure. The Office of the Interconnection and/or the PJM Market Monitor shall notify any affected Member(s) when it is notified by FERC or its staff, that a request for disclosure of, or decision to disclose, confidential information has been received, at which time the Office of the Interconnection, the PJM Market Monitor, and/or the affected Member may respond before such information would be made public, pursuant to 18 C.F.R. § 388.112.

(b) Section 18.17.3(a) shall not apply to requests for production of information under Subpart D of the FERC's Rules of Practice and Procedure (18 CFR Part 385) in proceedings before FERC and its administrative law judges. In all such proceedings, PJM and/or the PJM Market Monitor shall follow the procedures in Section 18.17.2.

18.17.4 Disclosure to Authorized Commissions.

(a) Notwithstanding anything in this section to the contrary, the Office of the Interconnection and/or the PJM Market Monitor shall disclose confidential information, otherwise required to be maintained in confidence pursuant to this Agreement, to an Authorized Commission under the following conditions:

- i) The Authorized Commission has provided the FERC with a properly-executed Certification in the form attached hereto as Schedule 10A. Upon receipt of the Authorized Commission's Certification, the FERC shall provide public notice of the Authorized Commission's

filing pursuant to 18 C.F.R. § 385.2009. If any interested party disputes the accuracy and adequacy of the representations contained in the Authorized Commission's Certification, that party may file a protest with the Commission within 14 days of the date of such notice, pursuant to 18 C.F.R. § 385.211. The Authorized Commission may file a response to any such protest within seven days. Each party shall bear its own costs in connection with such a FERC protest proceeding. If there are material changes in law that affect the accuracy and adequacy of the representations in the Certification filed with the Commission, the Authorized Commission shall, within thirty (30) days, submit an amended Certification identifying such changes. Any such amended Certification shall be subject to the same procedures for comment and review by the Commission as set forth above in this paragraph.

Neither the Office of the Interconnection nor the PJM Market Monitor may disclose data to an Authorized Commission during the Commission's consideration of the Certification and any filed protests. If the Commission does not act upon an Authorized Commission's Certification within 90 days of the date of filing, the Certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section. In the event that an interested party protests the Authorized Commission's Certification and the Commission approves the Certification, that party may not challenge any Information Request made by the Authorized Commission on the grounds that the Authorized Commission is unable to protect the confidentiality of the information requested, in the absence of a showing of changed circumstances.

- ii) Any confidential information provided to an Authorized Commission pursuant to this section shall not be further disclosed by the recipient Authorized Commission except by order of the Commission.
- iii) The Office of the Interconnection and/or the PJM Market Monitor shall be expressly entitled to rely upon such Authorized Commission Certifications in providing confidential information to the Authorized Commission, and shall in no event be liable, or subject to damages or claims of any kind or nature hereunder, due to the ineffectiveness or inaccuracy of such Authorized Commission Certifications.

- iv) The Authorized Commission may provide confidential information obtained from the Office of the Interconnection and/or the PJM Market Monitor to such of its employees, attorneys and contractors as needed to examine or handle that information in the course and scope of their work on behalf of the Authorized Commission, provided that (a) the Authorized Commission has internal procedures in place, pursuant to the Certification, to ensure that each person receiving such information agrees to protect the confidentiality of such information (such employees, attorneys or contractors to be defined hereinafter as “Authorized Persons”); (b) the Authorized Commission provides, pursuant to the Certification, a list of such Authorized Persons to the Office of the Interconnection and the PJM Market Monitor and updates such list, as necessary, every ninety (90) days; and (c) any third-party contractors provided access to confidential information sign a non-disclosure agreement in the form attached hereto as Schedule 10 before being provided access to any such confidential information.

- v) The Office of the Interconnection shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on its website, or by written request. Such schedule shall be compiled by the Office of the Interconnection, based on information provided by any Authorized Commission. The Office of the Interconnection shall update the schedule promptly upon receipt of information from an Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by the Office of the Interconnection in the compilation and/or maintenance of the schedule.

(b) The Office of the Interconnection and/or the PJM Market Monitor may, in the course of discussions with an Authorized Person, orally disclose information otherwise required to be maintained in confidence, without the need for a prior Information Request. Such oral disclosures shall provide enough information to enable the Authorized Person or the Authorized Commission with which that Authorized Person is associated to determine whether additional Information Requests are appropriate. The Office of the Interconnection and/or the PJM Market Monitor will not make any written or electronic disclosures of confidential information to the Authorized Person pursuant to this Section 18.17.4(b). In any such discussions, the Office of the Interconnection and/or the PJM Market Monitor shall ensure that the individual or individuals receiving such confidential information are Authorized Persons as defined herein, orally designate confidential information that is disclosed, and refrain from identifying any specific Affected Member whose information is disclosed. The Office of the Interconnection and/or the PJM Market Monitor shall also be authorized to assist Authorized Persons in interpreting confidential information that is disclosed. The Office of the Interconnection and/or the PJM Market Monitor shall provide any Affected Member with oral notice of any oral disclosure immediately, but not later than one (1) business day after the oral disclosure. Such oral notice to the Affected Member shall include the

substance of the oral disclosure, but shall not reveal any confidential information of any other Member and must be received by the Affected Member before the name of the Affected Member is released to the Authorized Person; provided however, disclosure of the identity of the Affected Party must be made to the Authorized Commission with which the Authorized Person is associated within two (2) business days of the initial oral disclosure.

(c) As regards Information Requests:

- (i) Information Requests to the Office of the Interconnection and/or PJM Market Monitor by an Authorized Commission shall be in writing, which shall include electronic communications, addressed to the Office of the Interconnection and/or the PJM Market Monitor, and shall: (a) describe the information sought in sufficient detail to allow a response to the Information Request; (b) provide a general description of the purpose of the Information Request; (c) state the time period for which confidential information is requested; and (d) re-affirm that only Authorized Persons shall have access to the confidential information requested. The Office of the Interconnection and/or the PJM Market Monitor shall provide an Affected Member with written notice, which shall include electronic communication, of an Information Request by an Authorized Commission as soon as possible, but not later than two (2) business days after the receipt of the Information Request.
- (ii) Subject to the provisions of section (c)(iii), the Office of the Interconnection and/or the PJM Market Monitor shall supply confidential information to the Authorized Commission in response to any Information Request within five (5) business days of the receipt of the Information Request, to the extent that the requested confidential information can be made available within such period; provided however, that in no event shall confidential information be released prior to the end of the fourth (4th) business day without the express consent of the Affected Member. To the extent that the Office of the Interconnection and/or the PJM Market Monitor cannot reasonably prepare and deliver the requested confidential information within such five (5) day period, it shall, within such period, provide the Authorized Commission with a written schedule for the provision of such remaining confidential information. Upon providing confidential information to the Authorized Commission, the Office of the Interconnection and/or the PJM Market Monitor shall either provide a copy of the confidential information to the Affected Member(s), or provide a listing of the confidential information disclosed; provided, however, that the Office of the Interconnection and/or the PJM Market Monitor shall not reveal any Member's confidential information to any other Member.

- (iii) Notwithstanding section (c)(ii), above, should the Office of the Interconnection, the PJM Market Monitor or an Affected Member object to an Information Request or any portion thereof, any of them may, within four (4) business days following the Office of the Interconnection's and/or the PJM Market Monitor's receipt of the Information Request, request, in writing, a conference with the Authorized Commission to resolve differences concerning the scope or timing of the Information Request; provided, however, nothing herein shall require the Authorized Commission to participate in any conference. Any party to the conference may seek assistance from FERC staff in resolution of the dispute or terminate the conference process at any time. Should such conference be refused or terminated by any participant or should such conference not resolve the dispute, then the Office of the Interconnection, PJM Market Monitor, or the Affected Member may file a complaint with the Commission pursuant to Rule 206 objecting to the Information Request within ten (10) business days following receipt of written notice from any conference participant terminating such conference. Any complaints filed at FERC objecting to a particular Information Request shall be designated by the party as a "fast track" complaint and each party shall bear its own costs in connection with such FERC proceeding. The grounds for such a complaint shall be limited to the following: (a) the Authorized Commission is no longer able to preserve the confidentiality of the requested information due to changed circumstances relating to the Authorized Commission's ability to protect confidential information arising since the filing of or rejection of a protest directed to the Authorized Commission's Certification; (b) complying with the Information Request would be unduly burdensome to the complainant, and the complainant has made a good faith effort to negotiate limitations in the scope of the requested information; or (c) other exceptional circumstances exist such that complying with the Information Request would result in harm to the complainant. There shall be a presumption that "exceptional circumstances," as used in the prior sentence, does not include circumstances in which an Authorized Commission has requested wholesale market data (or PJM Market Monitor workpapers that support or explain conclusions or analyses) generated in the ordinary course and scope of the operations of the Office of the Interconnection and/or the PJM Market Monitor. There shall be a presumption that circumstances in which an Authorized Commission has requested personnel files, internal emails and internal company memos, analyses and related work product constitute "exceptional circumstances" as used in the prior sentence.

If no complaint challenging the Information Request is filed within the ten (10) day period defined above, the Office of the Interconnection and/or PJM Market Monitor shall utilize its best efforts to respond to the Information Request promptly. If a complaint is filed, and the Commission does not act on that complaint within ninety (90) days, the complaint shall be deemed denied and the Office of Interconnection and/or PJM Market Monitor shall use its best efforts to respond to the Information Request promptly.

- (iv) Any Authorized Commission may initiate appropriate legal action at FERC within ten (10) business days following receipt of information designated as “Confidential,” challenging such designation. Any complaints filed at FERC objecting to the designation of information as “Confidential” shall be designated by the party as a “fast track” complaint and each party shall bear its own costs in connection with such FERC proceeding. The party filing such a complaint shall be required to prove that the material disclosed does not merit “Confidential” status because it is publicly available from other sources or contains no trade secret or other sensitive commercial information (with “publicly available” not being deemed to include unauthorized disclosures of otherwise confidential data).

- (d) In the event of any breach of confidentiality of information disclosed pursuant to an Information Request by an Authorized Commission or Authorized Person:
 - (i) The Authorized Commission or Authorized Person shall promptly notify the Office of the Interconnection and/or the PJM Market Monitor, who shall, in turn, promptly notify any Affected Member of any inadvertent or intentional release, or possible release, of confidential information provided pursuant to this section.

 - (ii) The Office of the Interconnection and/or PJM Market Monitor shall terminate the right of such Authorized Commission to receive confidential information under this section upon written notice to such Authorized Commission unless: (i) there was no harm or damage suffered by the Affected Member; or (ii) similar good cause is shown. Any appeal of the Office of the Interconnection’s and/or the PJM Market Monitor’s actions under this section shall be to FERC. An Authorized Commission shall be entitled to reestablish its certification as set forth in Section 18.17.4(a) by submitting a filing with the Commission showing that it has taken appropriate corrective action. If the Commission does not act upon an Authorized Commission’s re-certification filing with sixty (60) days of the date of the filing, the re-certification shall be deemed approved and the Authorized Commission shall be permitted to receive confidential information pursuant to this section.

- (iii) The Office of the Interconnection, the PJM Market Monitor, and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief with respect to any breach; and (c) the immediate return of all confidential information to the Office of the Interconnection and/or the PJM Market Monitor.
- (iv) No Authorized Person or Authorized Commission shall have responsibility or liability whatsoever under this section for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with the release of confidential information to persons not authorized to receive it, provided that such Authorized Person is an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release. Nothing in this Section (d)(iv) is intended to limit the liability of any person who is not an agent, servant, employee or member of an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
- (v) Any dispute or conflict requesting the relief in section (d)(ii) or (d)(iii)(a) above, shall be submitted to FERC for hearing and resolution. Any dispute or conflict requesting the relief in section (d)(iii)(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution.

18.17.5 Market Monitoring.

- a) Subject to the requirements of section 18.17.5(b), the PJM Market Monitor and PJM may release confidential information of Public Service Electric & Gas Company (“PSE&G”), Consolidated Edison Company of New York (“ConEd”), and their affiliates, and the confidential information of any Member regarding generation and/or transmission facilities located within the PSE&G Zone to the market monitoring unit of the new York Independent System Operator, Inc. (“New York ISO”) and the New York ISO Market Advisor to the limited extent that the PJM Market Monitor determines necessary to carry out the responsibilities of the market monitoring units of PJM and the New York ISO under FERC Opinion No. 476 (see Consolidated Edison Company v. Public Service Electric and Gas Company, et al., 108 FERC ¶ 61,120, at P 215 (2004)) to conduct joint investigations to ensure that gaming, abuse of market

SCHEDULE 10

FORM OF NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (the “Agreement”) is made this ___ day of _____, 2007, by and between _____, an Authorized Person, as defined below, and PJM Interconnection, L.L.C., a Delaware limited liability company, with offices at 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, PA 10403 (“PJM”). The Authorized Person and PJM shall be referred to herein individually as a “Party,” or collectively as the “Parties.”

RECITALS

Whereas, PJM serves as the Regional Transmission Organization with reliability and/or functional control responsibilities over transmission systems involving fourteen states including the District of Columbia, and operates and oversees wholesale markets for electricity pursuant to the requirements of the PJM Tariff and the Operating Agreement, as defined below; and

Whereas, the PJM Market Monitor serves as the monitor for PJM’s wholesale markets for electricity, and

Whereas, the Operating Agreement requires that PJM and the PJM Market Monitor maintain the confidentiality of Confidential Information; and

Whereas, the Operating Agreement requires PJM and the PJM Market Monitor to disclose Confidential Information to Authorized Persons upon satisfaction of conditions stated in the Operating Agreement, which may include, but are not limited to, the execution of this Agreement by the Authorized Person and the maintenance of the confidentiality of such information pursuant to the terms of this Agreement; and

Whereas, PJM desires to provide Authorized Persons with the broadest possible access to Confidential Information, consistent with PJM’s and the PJM Market Monitor’s obligations and duties under the PJM Operating Agreement, the PJM Tariff and other applicable FERC directives; and

Whereas, this Agreement is a statement of the conditions and requirements, consistent with the requirements of the Operating Agreement, whereby PJM or the PJM Market Monitor may provide Confidential Information to the Authorized Person.

NOW, THEREFORE, intending to be legally bound, the Parties hereby agree as follows:

Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 19, 2007

Effective: June 1, 2008

1. DEFINITIONS.

- 1.1 Affected Member.** A Member of PJM which as a result of its participation in PJM's markets or its membership in PJM provided Confidential Information to PJM, which Confidential Information is requested by, or is disclosed to an Authorized Person under this Agreement.
- 1.2 Authorized Commission.** (i) A State (which shall include the District of Columbia) public utility commission within the geographic limits of the PJM Region (as that term is defined in the Operating Agreement) that regulates the distribution or supply of electricity to retail customers and is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State or (ii) an association or organization comprised exclusively of State public utility commissions described in the immediately preceding clause (i).
- 1.3 Authorized Person.** A person, including the undersigned, which has executed this Agreement and is authorized in writing by an Authorized Commission to receive and discuss Confidential Information. Authorized Persons may include attorneys representing an Authorized Commission or consultants and/or contractors directly employed or retained by an Authorized Commission, provided however that consultants or contractors may not initiate requests for Confidential Information from PJM or the PJM Market Monitor.
- 1.4 Confidential Information.** Any information that would be considered non-public or confidential under the Operating Agreement.
- 1.5 FERC.** The Federal Energy Regulatory Commission.
- 1.6 Information Request.** A written request, in accordance with the terms of this Agreement for disclosure of Confidential Information pursuant to Section 18.17.4 of the Operating Agreement.
- 1.7 Operating Agreement.** The Amended and Restated Operating Agreement of PJM Interconnection, L.L.C., as it may be further amended or restated from time to time.
- 1.8 PJM Market Monitor.** The Market Monitoring Unit established under Attachment M to the PJM Tariff.
- 1.9 PJM Tariff.** The PJM Open Access Transmission Tariff, as it may be amended from time to time.
- 1.10 Third Party Request.** Any request or demand by any entity upon an Authorized Person or an Authorized Commission for release or disclosure of Confidential Information. A Third Party Request shall include, but shall not be limited to, any subpoena, discovery request, or other request for Confidential Information made by any: (i) federal, state, or local governmental subdivision, department, official, agency or court, or (ii) arbitration panel, business, company, entity or individual.

2. Protection of Confidentiality.

2.1 Duty to Not Disclose. The Authorized Person represents and warrants that he or she: (i) is presently an Authorized Person as defined herein; (ii) is duly authorized to enter into and perform this Agreement; (iii) has adequate procedures to protect against the release of Confidential Information, and (iv) is familiar with, and will comply with, all such applicable Authorized Commission procedures. The Authorized Person hereby covenants and agrees on behalf of himself or herself to deny any Third Party Request and defend against any legal process which seeks the release of Confidential Information in contravention of the terms of this Agreement.

2.2 Discussion of Confidential Information with Other Authorized Persons. The Authorized Person may discuss Confidential Information with employees of the Authorized Commission who have been designated Authorized Persons pursuant to the Operating Agreement and with such other third-party. Authorized Persons who have executed non-disclosure agreements with PJM containing the same terms and conditions as this Agreement.

2.3 Defense Against Third Party Requests. The Authorized Person shall defend against any disclosure of Confidential Information pursuant to any Third Party Request through all available legal process, including, but not limited to, seeking to obtain any necessary protective orders. The Authorized Person shall provide PJM, and PJM shall provide each Affected Member, with prompt notice of any such Third Party Request or legal proceedings, and shall consult with PJM and/or any Affected Member in its efforts to deny the request or defend against such legal process. In the event a protective order or other remedy is denied, the Authorized Person agrees to furnish only that portion of the Confidential Information which their legal counsel advises PJM (and of which PJM shall, in turn, advise any Affected Members) in writing is legally required to be furnished, and to exercise their best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.

2.4 Care and Use of Confidential Information.

2.4.1 Control of Confidential Information. The Authorized Person(s) shall be the custodian(s) of any and all Confidential Information received pursuant to the terms of this Agreement from PJM or the PJM Market Monitor.

2.4.2 Access to Confidential Information. The Authorized Person shall ensure that Confidential Information received by that Authorized Person is disseminated only to those persons publicly identified as Authorized Persons on Exhibit "A" to the certification provided by the State Commission to PJM pursuant to the procedures contained in section 18.17.4 of the Operating Agreement.

2.4.3 Schedule of Authorized Persons.

- (i) The Authorized Person shall promptly notify PJM and the PJM Market Monitor of any change that would affect the Authorized Person's status as an Authorized Person, and in such event shall request, in writing, deletion from the schedule referred to in section (ii), below.
- (ii) PJM shall maintain a schedule of all Authorized Persons and the Authorized Commissions they represent, which shall be made publicly available on the PJM website and/or by written request. Such schedule shall be compiled by PJM, based on information provided by any Authorized Person and/or Authorized Commission. PJM shall update the schedule promptly upon receipt of information from an Authorized Person or Authorized Commission, but shall have no obligation to verify or corroborate any such information, and shall not be liable or otherwise responsible for any inaccuracies in the schedule due to incomplete or erroneous information conveyed to and relied upon by PJM in the compilation and/or maintenance of the schedule.

- 2.4.4 Use of Confidential Information.** The Authorized Person shall use the Confidential Information solely for the purpose of assisting the Authorized Commission in discharging its legal responsibility to monitor the wholesale and retail electricity markets, operations, transmission planning and siting and generation planning and siting materially affecting retail customers within the State, and for no other purpose.
- 2.4.5 Return of Confidential Information.** Upon completion of the inquiry or investigation referred to in the Information Request, or for any reason the Authorized Person is, or will no longer be an Authorized Person, the Authorized Person shall (a) return the Confidential Information and all copies thereof to PJM and/or the PJM Market Monitor, or (b) provide a certification that the Authorized Person has destroyed all paper copies and deleted all electronic copies of the Confidential Information. PJM and/or the PJM Market Monitor, as applicable, may waive this condition in writing if such Confidential Information has become publicly available or non-confidential in the course of business or pursuant to the PJM Tariff, PJM rule or order of the FERC.
- 2.4.6 Notice of Disclosures.** The Authorized Person, directly or through the Authorized Commission, shall promptly notify PJM and/or the PJM Market Monitor, and PJM and/or the PJM Market Monitor shall promptly notify any Affected Member, of any inadvertent or intentional release or possible release of the Confidential Information provided pursuant to this Agreement. The Authorized Person shall take all steps to minimize any further release of Confidential Information, and shall take reasonable steps to attempt to retrieve any Confidential Information that may have been released.
- 2.5 Ownership and Privilege.** Nothing in this Agreement, or incident to the provision of Confidential Information to the Authorized Person pursuant to any Information Request, is intended, nor shall it be deemed, to be a waiver or abandonment of any legal privilege that may be asserted against subsequent disclosure or discovery in any formal proceeding or investigation. Moreover, no transfer or creation of ownership rights in any intellectual property comprising Confidential Information is intended or shall be inferred by the disclosure of Confidential Information by PJM and/or the PJM Market Monitor, and any and all intellectual property comprising Confidential Information disclosed and any derivations thereof shall continue to be the exclusive intellectual property of PJM, the PJM Market Monitor (to the extent that it owns any intellectual property), and/or the Affected Member.

[Reserved for Future Use]

[Reserved for Future Use]

3. Remedies.

- 3.1 Material Breach.** The Authorized Person agrees that release of Confidential Information to persons not authorized to receive it constitutes a breach of this Agreement and may cause irreparable harm to PJM and/or the Affected Member. In the event of a breach of this Agreement by the Authorized Person, PJM shall terminate this Agreement upon written notice to the Authorized Person and his or her Authorized Commission, and all rights of the Authorized Person hereunder shall thereupon terminate; provided, however, that PJM may restore an individual's status as an Authorized Person after consulting with the Affected Member and to the extent that: (i) PJM determines that the disclosure was not due to the intentional, reckless or negligent action or omission of the Authorized Person; (ii) there were no harm or damages suffered by the Affected Member; or (iii) similar good cause shown. Any appeal of PJM's actions under this section shall be to FERC.
- 3.2 Judicial Recourse.** In the event of any breach of this Agreement, PJM and/or the Affected Member shall have the right to seek and obtain at least the following types of relief: (a) an order from FERC requiring any breach to cease and preventing any future breaches; (b) temporary, preliminary, and/or permanent injunctive relief with respect to any breach; and (c) the immediate return of all Confidential Information to PJM. The Authorized Person expressly agrees that in the event of a breach of this Agreement, any relief sought properly includes, but shall not be limited to, the immediate return of all Confidential Information to PJM.
- 3.3 Waiver of Monetary Damages.** No Authorized Person shall have responsibility or liability whatsoever under this Agreement for any and all liabilities, losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of, or in connection with, the release of Confidential Information to persons not authorized to receive it. Nothing in this Section 3.3 is intended to limit the liability of any person who is not under contract to provide services to an Authorized Commission at the time of such unauthorized release for any and all economic losses, damages, demands, fines, monetary judgments, penalties, costs and expenses caused by, resulting from, or arising out of or in connection with such unauthorized release.
- 4. Jurisdiction.** The Parties agree that (i) any dispute or conflict requesting the relief in sections 3.1, and 3.2(a) above shall be submitted to FERC for hearing and resolution; (ii) any dispute or conflict requesting the relief in section 3.2(c) above may be submitted to FERC or any court of competent jurisdiction for hearing and resolution; and (iii) jurisdiction over all other actions and requested relief shall lie in any court of competent jurisdiction.

- 5. Notices.** All notices required pursuant to the terms of this Agreement shall be in writing, and served upon the following individuals in person, or at the following addresses or email addresses:

If to the Authorized Person:

(email address)

with a copy to

(email address)

If to PJM:

General Counsel
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403
duanev@pjm.com

If to the PJM Market Monitor:

Monitoring Analytics, LLC
[address and contact information]

6. **Severability and Survival.** In the event any provision of this Agreement is determined to be unenforceable as a matter of law, the Parties intend that all other provisions of this Agreement remain in full force and effect in accordance with their terms. In the event of conflicts between the terms of this Agreement and the Operating Agreement, the terms of the Operating Agreement shall in all events be controlling. The Authorized Person acknowledges that any and all obligations of the Authorized Person hereunder shall survive the severance or termination of any employment or retention relationship between the Authorized Person and their respective Authorized Commission.
7. **Representations.** The undersigned represent and warrant that they are vested with all necessary corporate, statutory and/or regulatory authority to execute and deliver this Agreement, and to perform all of the obligations and duties contained herein.
8. **Third Party Beneficiaries.** The Parties specifically agree and acknowledge that each Member as defined in the Operating Agreement is an intended third party beneficiary of this Agreement entitled to enforce its provisions.
9. **Counterparts.** This Agreement may be executed in counterparts and all such counterparts together shall be deemed to constitute a single executed original.
10. **Amendment.** This Agreement may not be amended except by written agreement executed by authorized representatives of the Parties.

PJM INTERCONNECTION, L.L.C.

By:

Name:

Title:

AUTHORIZED PERSON

By:

Name:

Title:

SCHEDULE 10A

FORM OF CERTIFICATION

This Certification (the “Certification”) is given this ___ day of _____, 200_, by _____, a _____ (the “Authorized Commission”), to and for the benefit of PJM Interconnection, LLC (“PJM”) and its Members. The Authorized Commission and PJM shall be referred to herein collectively as the “Parties”.

Whereas, the Authorized Commission has designated the individuals on attached Exhibit “A” (the “Authorized Persons”) to receive Confidential Information from PJM and/or the PJM Market Monitor, such Exhibit A to be updated from time to time, and

Whereas, as a condition precedent to the provision of Confidential Information to the Authorized Persons, the Authorized Commission is required to make certain representations and warranties to PJM, and

Whereas, PJM and/or the PJM Market Monitor will provide Confidential Information to the Authorized Commission subject to the terms of this Certification; and

Whereas, the Parties desire to set forth those representations and warranties herein.

Now, therefore, the Authorized Commission hereby makes the following representations and warranties, all of which shall be true and correct as of the date of execution of this Certification, and at all times thereafter, and with the express understanding that PJM, the PJM Market Monitor, and any Affected Member shall rely on each representation and/or warranty:

1. **Definitions.** Terms contained, but not defined, herein shall have the definitions or meanings ascribed to such terms in the Operating Agreement.
2. **Requisite Authority.**
 - a. The Authorized Commission hereby certifies that it has all necessary legal authority to execute, deliver, and perform the obligations in this Certification.

- b. The Authorized Persons have, through all necessary action of the Authorized Commission, been appointed and directed by the Authorized Commission to receive Confidential Information on the Authorized Commission's behalf and for its benefit.
- c. The Authorized Commission will, at all times after the provision of Confidential Information to the Authorized Persons, provide PJM with: (i) written notice of any changes in any Authorized Person's qualification as an Authorized Person within two (2) business days of such change; (ii) written confirmation to any inquiry by PJM regarding the status or identification of any specific Authorized Person within two (2) business days of such request, and (iii) periodic written updates, no less often than semi-annually, containing the names of all Authorized Persons appointed by the Authorized Commission.

3. Protection of Confidential Information.

- a. The Authorized Commission has adequate internal procedures, to protect against the release of any Confidential Information by the Authorized Persons or other employee or agent of the Authorized Commission, and the Authorized Commission and the Authorized Persons will strictly enforce and periodically review all such procedures.
- b. The Authorized Commission has legal authority to protect the confidentiality of Confidential Information from public release or disclosure and/or from release or disclosure to any other person or entity, either by the Authorized Commission or the Authorized Persons, as agents of the Authorized Commission.
- c. The Authorized Commission shall ensure that Confidential Information shall be maintained by, and accessible only to, the Authorized Persons.

- 4. Defense Against Requests for Disclosure.** The Authorized Commission shall, unless precluded from doing so by law, use reasonable efforts to defend against, and direct Authorized Persons to defend against, disclosure of any Confidential Information pursuant to any Third Party Request through all available legal process, including, but not limited to, obtaining any necessary protective orders. The Authorized Commission shall provide PJM and/or the PJM Market Monitor with prompt notice of any such Third Party Request or legal proceedings, and shall consult with PJM, the PJM Market Monitor, and/or any Affected Member in its efforts to deny the request or defend against such legal process. In the event a protective order or other remedy is denied, the Authorized Commission agrees to furnish only that portion of the Confidential Information which their legal counsel advises PJM and/or the PJM Market Monitor (and of which PJM and/or the PJM Market Monitor shall, in turn, advise any Affected Member) in writing is legally required to be furnished, and to exercise their best efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information.
- 5. Use and Destruction of Confidential Information.**

 - a. The Authorized Commission shall use, and allow the use of, the Confidential Information solely for the purpose of discharging its legal responsibility to examine and evaluate wholesale and retail electricity markets, operations, transmission planning and siting and generation planning and siting materially affecting retail customers within their respective State, and for no other purpose.
 - b. Upon completion of the inquiry or investigation referred to in any Information Request initiated by or on behalf of the Authorized Commission, or for any reason any Authorized Person is, or will no longer be an Authorized Person, the Authorized Commission will ensure that such Authorized Person either (a) returns the Confidential Information and all copies thereof to PJM and/or the PJM Market Monitor, or (b) provides a certification that the Authorized Person and/or the Authorized Commission (i) has destroyed all paper copies and deleted all electronic copies of the Confidential Information or (ii) that any information required by any provision of state law to be retained will continue to be protected from disclosure.
- 6. Notice of Disclosure of Confidential Information.** The State Commission shall promptly notify PJM and/or the PJM Market Monitor of any inadvertent or intentional release or possible release of the Confidential Information provided to any Authorized Person, and shall take all available steps to minimize any further release of Confidential Information and/or retrieve any Confidential Information that may have been released.

7. **Release of Claims.** PJM and the PJM Market Monitor shall be expressly entitled to rely upon any Authorized Commission Certification, in providing Confidential Information to the Authorized Commission, and shall in no event be liable, or subject to damages or claims of any kind or nature due to the ineffectiveness or inaccuracies of such orders, or the inaccuracy of such certification of counsel, or PJM or the PJM Market Monitor's reliance on such orders, and the Authorized Commission hereby waives any such claim, now or in the future, whether known or unknown.

8. **Ownership and Privilege.** Nothing in this Certification, or incident to the provision of Confidential Information to the Authorized Commission pursuant to any Information Request, is intended, nor shall it be deemed, to be a waiver or abandonment of any legal privilege that may be asserted against subsequent disclosure or discovery in any formal proceeding or investigation. Moreover, no transfer or creation of ownership rights in any intellectual property comprising Confidential Information is intended or shall be inferred by the disclosure of Confidential Information by PJM and/or the PJM Market Monitor, and any and all intellectual property comprising Confidential Information disclosed and any derivations thereof shall continue to be the exclusive intellectual property of PJM, the PJM Market Monitor, and/or the Affected Member.

Executed, as of the date first set out above.

[Commission]

By: _____
Its: _____

SEE NEXT PAGE

EXHIBIT A
CERTIFICATION
LIST OF AUTHORIZED PERSONS

<u>Name</u>	<u>Mailing Address</u>	<u>Email</u>	<u>Tel #</u>	<u>Scope and Duration of Authority</u>
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Issued By: Craig Glazer
Vice President, Federal Government Policy
Issued On: December 19, 2007

Effective: June 1, 2008

Attachment C

Redline and Non-Redline Versions of Schedule 9-MMU of the PJM Tariff

Tariff Revisions
Schedule 9-MMU

Redline Version

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SCHEDULE 9-5	
Capacity Resource and Obligation Management Service.....	263
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SCHEDULE 9-OPSI	
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Finance Committee Retained Outside Consultant	268D
<u>SCHEDULE 9-MMU</u>	
<u>MMU Funding.....</u>	<u>268E</u>
SCHEDULE 10	
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SCHEDULE 10-NERC	
North American Electric Reliability Corporation Charge	269A
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Reliability First Corporation Charge	269C
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Transmission Enhancement Charges	270A
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SCHEDULE 9-MMU

MMU Funding

a) This Schedule 9-MMU shall recover the costs of providing the market monitoring functions to the PJM region as specified in Attachment M to this Tariff. This Schedule 9-MMU recovers PJM's payments to MMU as set forth below. PJM provides this service to all customers using Point-to-Point or Network Integration Transmission Service under this Tariff, to all Generation Providers, and to all entities that submit offers to sell or bids to buy energy in the PJM Interchange Energy Market.

b) PJM will charge each user of Schedule 9-MMU service each month a charge equal to the sum of: (i) the MMU Service Rate, Component 1, as stated below, times (1) the total quantity in MWhs of energy delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or for export from such region during such month by such user as a customer under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service, plus (2) the total quantity in MWhs of energy input into the Transmission System during such month by such user as a Generation Provider, plus (3) the total quantity in MWhs of all accepted Increment Bids and accepted Decrement Bids, as defined in the Appendix to Attachment K of this Tariff, and all accepted "up-to" congestion bids submitted pursuant to section 1.10.1A(c) of such Appendix, submitted by such user during such month; plus (ii) the MMU Service Rate, Component 2, as stated below, times the number of Bid/Offer Segments submitted by such user during such month.

c) For purposes of this Schedule 9-MMU, Wheeling-Through Service, Generation Provider, and Bid/Offer Segments shall have the same meanings set forth in Schedule 9-3 of this Tariff.

d) The MMU Services Rate, Component 1 = [0.987 times CYMC]/VOL1; and the MMU Services Rate, Component 2 = [0.013 times CYMC]/VOL2.

where

Current Year MMU Charges ("CYMC") are the expenses on an accrual basis in accordance with generally accepted accounting principles for MMU funding determined in accordance with the initial budget amount and thereafter the annual budget approval process set forth in Attachment M, for the year for which the charge under this Schedule 9-MMU is being calculated, with said annual budget adjusted to take into account any credit or deficiencies from the prior year based on MMU's actual expenses for the prior year as compared to MMU's revenues received under this Schedule 9-MMU for the prior year; provided that, such adjustment shall not take account of any actual expenses for the prior year that exceed MMU's approved annual budget for such year, unless the MMU shall have received approval from FERC of an amendment to the MMU's approved annual budget.

VOL1 is PJM's estimate of (1) the total quantity in MWhs of energy to be delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or to be exported from such region under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service during the year for which the charge under this Schedule 9-MMU is being calculated, plus (2) the total quantity in MWhs of energy to be input into the Transmission System by Generation Providers during the year for which the charge under this Schedule 9-MMU is being calculated plus (3) the total quantity in MWhs of all accepted Increment Bids and accepted Decrement Bids, as defined in the Appendix to Attachment K of this Tariff, and all accepted "up-to" congestion bids submitted pursuant to section 1.10.1A(c) of such Appendix, to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

VOL2 is PJM's estimate of the number of Bid/Offer Segments to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

e) MMU shall document, and advise PJM of, MMU's actual expenses for the prior year no later than March 15, and provide a copy of such documentation to the Finance Committee. Such documentation shall be in a level of supporting detail consistent with that required under Section III.E.2 of Attachment M for the annual budget. MMU further annually shall provide to PJM and the Finance Committee audited financial statements of revenues and expenses related solely to the services provided to PJM.

f) PJM shall transmit to MMU, within two (2) business days of receipt thereof, the revenue collected under this Schedule 9-MMU.

g) If there is any change in the entity contracted to perform the functions of the MMU under Attachment M, then PJM shall determine the revenues received by MMU prior to the change of MMU and compare them to MMU's actual expenses prior to the change of MMU (capped at the level of MMU's approved budget, adjusted to reflect only the portion of the year for which the MMU provided services prior to the change of MMU). PJM shall pay MMU any deficiency, or MMU shall pay PJM any credit, as indicated by such comparison. Such true-up payments associated with any change in the entity performing the functions of the MMU under Attachment M shall be charged or credited, as applicable, in the next year's billings under this Schedule 9-MMU.

Tariff Revisions
Schedule 9-MMU

Non-Redline Version

SCHEDULE 9-4	
Regulation and Frequency Response Administration Service	261
SCHEDULE 9-5	
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MMU Funding	268E
SCHEDULE 10	
[Reserved]	269
SCHEDULE 10-NERC	
North American Electric Reliability Corporation Charge	269A
SCHEDULE 10-RFC	
Reliability First Corporation Charge	269C
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SCHEDULE 9-MMU

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b) PJM will charge each user of Schedule 9-MMU service each month a charge equal to the sum of: (i) the MMU Service Rate, Component 1, as stated below, times (1) the total quantity in MWhs of energy delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or for export from such region during such month by such user as a customer under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service, plus (2) the total quantity in MWhs of energy input into the Transmission System during such month by such user as a Generation Provider, plus (3) the total quantity in MWhs of all accepted Increment Bids and accepted Decrement Bids, as defined in the Appendix to Attachment K of this Tariff, and all accepted "up-to" congestion bids submitted pursuant to section 1.10.1A(c) of such Appendix, submitted by such user during such month; plus (ii) the MMU Service Rate, Component 2, as stated below, times the number of Bid/Offer Segments submitted by such user during such month.

c) For purposes of this Schedule 9-MMU, Wheeling-Through Service, Generation Provider, and Bid/Offer Segments shall have the same meanings set forth in Schedule 9-3 of this Tariff.

d) The MMU Services Rate, Component 1 = $[0.987 \text{ times CYMC}]/\text{VOL1}$; and the MMU Services Rate, Component 2 = $[0.013 \text{ times CYMC}]/\text{VOL2}$,

where

Current Year MMU Charges ("CYMC") are the expenses on an accrual basis in accordance with generally accepted accounting principles for MMU funding determined in accordance with the initial budget amount and thereafter the annual budget approval process set forth in Attachment M, for the year for which the charge under this Schedule 9-MMU is being calculated, with said annual budget adjusted to take into account any credit or deficiencies from the prior year based on MMU's actual expenses for the prior year as compared to MMU's revenues received under this Schedule 9-MMU for the prior year; provided that, such adjustment shall not take account of any actual expenses for the prior year that exceed MMU's approved annual budget for such year, unless the MMU shall have received approval from FERC of an amendment to the MMU's approved annual budget.

VOL1 is PJM's estimate of (1) the total quantity in MWhs of energy to be delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or to be exported from such region under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service during the year for which the charge under this Schedule 9-MMU is being calculated, plus (2) the total quantity in MWhs of energy to be input into the Transmission System by Generation Providers during the year for which the charge under this Schedule 9-MMU is being calculated plus (3) the total quantity in MWhs of all accepted Increment Bids and accepted Decrement Bids, as defined in the Appendix to Attachment K of this Tariff, and all accepted "up-to" congestion bids submitted pursuant to section 1.10.1A(c) of such Appendix, to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

VOL2 is PJM's estimate of the number of Bid/Offer Segments to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

e) MMU shall document, and advise PJM of, MMU's actual expenses for the prior year no later than March 15, and provide a copy of such documentation to the Finance Committee. Such documentation shall be in a level of supporting detail consistent with that required under Section III.E.2 of Attachment M for the annual budget. MMU further annually shall provide to PJM and the Finance Committee audited financial statements of revenues and expenses related solely to the services provided to PJM.

f) PJM shall transmit to MMU, within two (2) business days of receipt thereof, the revenue collected under this Schedule 9-MMU.

g) If there is any change in the entity contracted to perform the functions of the MMU under Attachment M, then PJM shall determine the revenues received by MMU prior to the change of MMU and compare them to MMU's actual expenses prior to the change of MMU (capped at the level of MMU's approved budget, adjusted to reflect only the portion of the year for which the MMU provided services prior to the change of MMU). PJM shall pay MMU any deficiency, or MMU shall pay PJM any credit, as indicated by such comparison. Such true-up payments associated with any change in the entity performing the functions of the MMU under Attachment M shall be charged or credited, as applicable, in the next year's billings under this Schedule 9-MMU.

Attachment D

Market Monitoring Services Agreement

Market Monitoring Services Agreement

This Market Monitoring Services Agreement (“Agreement”) is entered into as of this 19th day of December, 2007, by and between PJM Interconnection, L.L.C. (“PJM”), a Delaware limited liability company with an address at 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, PA 19403 and Monitoring Analytics, LLC (“MMU”), a Pennsylvania limited liability company with an address at P.O. Box 768, Southeastern, PA 19399-0768. PJM and MMU shall be referred to herein individually as a “Party” and collectively as “the Parties.”

RECITALS:

WHEREAS, PJM is a regional transmission organization (“RTO”) that provides grid operations and reliability functions and administers wholesale markets for energy, capacity and energy-related services in portions of the Mid-Atlantic, Southeastern and Midwest United States pursuant to an Open Access Transmission Tariff (“PJM Tariff”), an Operating Agreement and other documents and rules;

WHEREAS, as an RTO, PJM is required to provide independent market monitoring of its markets and operations affecting market outcomes;

WHEREAS, MMU is a Pennsylvania limited liability company that was created to provide external market monitoring services to PJM;

WHEREAS, the initial employees of MMU previously were PJM employees and organized as an internal market monitoring unit division within PJM;

WHEREAS, MMU has the qualifications and ability to perform said external market monitoring services for PJM;

WHEREAS, PJM desires to engage MMU, pursuant to the terms and conditions of this Agreement, as an independent contractor to perform the market monitoring services set forth in Attachment M of the PJM Tariff;

WHEREAS, MMU desires to undertake the performance of such Services, pursuant to the terms and conditions of this Agreement;

WHEREAS, the Parties acknowledge that PJM, its Members, and Authorized Government Agencies are entitled to strong, robust and independent market monitoring, including monitoring of PJM market design, market implementation and operations decisions affecting market outcomes;

WHEREAS, the Parties further acknowledge and agree that their mutual obligations under this Agreement are to be performed in a dispassionate, fair and open manner;

WHEREAS, the Parties further acknowledge and agree that both PJM management and staff and MMU will undertake their respective functions and their mutual interactions with professionalism and appreciation by each group for the important functions of the other; and

WHEREAS, the Parties are committed to acting in good faith and understand the importance of their acting in good faith to all stakeholders.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned parties, intending to be legally bound, hereby agree as follows:

1. **Definitions.** Terms capitalized and not otherwise defined herein shall have the meanings set forth in Attachment M of the PJM Tariff. For purposes of this Agreement, the following terms shall have the following meanings:
 - 1.1 **“Agreement”** means this Market Monitoring Services Agreement between PJM and MMU.
 - 1.2 **“Attachment M”** means Attachment M to the PJM Tariff, as may be amended from time to time.
 - 1.3 **“Confidential Information”** means (i) in the case of information provided by PJM to MMU, any documents, data or other information where confidentiality is protected under the Operating Agreement or Attachment M as applied by PJM or other information that PJM advises is confidential; and (ii) in the case of information provided by MMU to PJM, any documents, data or other information that MMU advises is confidential.
 - 1.4 **“Commencement Date”** means June 1, 2008.
 - 1.5 **“Interested Party”** has the meaning set forth in Section 17.2(vi) of this Agreement.
 - 1.6 **“MMU”** has the meaning set forth in the first paragraph of this Agreement.
 - 1.7 **“Party” or “Parties”** has the meaning set forth in the first paragraph of this Agreement.
 - 1.8 **“PJM Code of Conduct”** means the PJM Code of Conduct, Policy No. PJM-050-070-1-0.400, approved as of December 12, 2006.

- 1.9 **“PJM Member”** means a member of PJM Interconnection, L.L.C.
- 1.10 **“PJM Region”** shall have the meaning set forth in Part I of the PJM Tariff.
- 1.11 **“PJM Standards of Conduct”** means the PJM “FERC Order No. 889 Standards of Conduct” set forth in the PJM Code of Conduct.
- 1.12 **“Services”** has the meaning set forth in Section 6.
2. **Responsibility For Administering Contract.** Any question or issue arising out of the performance of this Agreement, or the respective rights and obligations of the Parties ultimately shall be administered by the PJM Board or a subcommittee thereof, on behalf of PJM, and by the Market Monitor, on behalf of MMU. Notwithstanding the foregoing, any dispute arising out of the performance of this Agreement that the above-described counterparty representatives are unable to resolve shall be subject to resolution by the Commission in accordance with its applicable procedures, except as provided for in Section 11 of this Agreement.
3. **Term.** The initial term of this Agreement shall be six years.
4. **Termination.** Any termination of this Agreement shall be in accordance with the provisions regarding termination set forth in Attachment M of the PJM Tariff.
5. **Payment.**
 - 5.1 **Rate.** In payment for the Services to be performed by MMU under this Agreement, effective upon the Commencement Date and until December 31, 2009, and subject to adjustment as set forth in Schedule 9-MMU, PJM shall collect from Market Participants and pay MMU at an annual rate of \$9,276,712. The foregoing rate includes an estimate for amortization and depreciation of information technology costs, build-out costs, and other infrastructure costs and an estimate for interest expense associated with debt service for the foregoing. The rate for the Services shall be adjusted prior to the Commencement Date so as to reflect the amortization and depreciation, and interest expense, that results from the actual information technology costs, build-out costs, and other infrastructure costs itemized in Appendix A to this Agreement. MMU shall coordinate all such expenditures with PJM's Chief Financial Officer before committing to any such expenditures. After December 31, 2009, the rate to be paid for the Services to be performed by MMU shall be established pursuant to the budgeting process described in Attachment M of the PJM Tariff.
 - 5.2 **Schedule 9-MMU.** PJM shall collect and pay to MMU the rate set forth in Section 5.1 pursuant to Schedule 9-MMU of the PJM Tariff.

- 5.3 Expenses and Capital Expenditures.** For the Services it is rendering to PJM, MMU shall pay for all of its expenses, including capital expenditures, office overhead, administrative support, rent, utilities and other support services, out of the rate referenced in Section 5.1.
- 5.4 Taxes.** PJM shall not withhold any amounts for payment of any local, state or federal taxes from the compensation of MMU hereunder. MMU shall be responsible for all taxes arising from compensation and other amounts paid under this Agreement, and shall be responsible for all payroll taxes, and payment for the provision of fringe benefits to its employees. MMU understands that it is responsible to pay, according to law, MMU's taxes and MMU shall, when requested by PJM, properly document to PJM that any and all federal and state taxes have been paid.
- 5.5 Transition.** PJM will bear the reasonable transition expenses incurred by Bowring, while Bowring is still an employee of PJM, to establish MMU. Bowring shall coordinate all such expenditures with PJM's Chief Financial Officer before committing to any such expenses. For purposes of this paragraph, transition costs do not include capital expenditures. Capital expenditures will be funded by MMU. To the extent requested by MMU, PJM will provide, prior to the Commencement Date, a loan to MMU to cover the capital expenditures consisting of the information and technology costs, build-out costs and other infrastructure costs identified in Appendix A to this Agreement. The loan will be repaid to PJM, with interest (at an interest rate consistent with PJM's cost of borrowing), over a period consistent with the depreciable lives of the assets. PJM and MMU will execute loan agreements to implement the foregoing prior to the advancement of any funds for capital expenditures.
- 6. General Statement of Services.** MMU shall perform the market monitoring responsibilities set forth in Attachment M ("Services").
- 7. Location and Physical Access.** MMU shall retain office space located in close proximity to the PJM campus in the Valley Forge Corporate Center in Norristown, PA. Such office space is envisioned to be in the Business Center of the PJM campus located at 2621 Van Buren Avenue, Valley Forge Corporate Center, Norristown, PA. PJM shall provide initial assistance to MMU in locating lease space, should MMU so desire, and shall agree to sublease space to MMU if necessary.
- 8. Data Access.**
- 8.1 MMU Data Access.** MMU shall have access to data and information from PJM as set forth in Attachment M, which access will be implemented in accordance with the separate service level agreement.

- 8.2 PJM Data Access.** MMU shall share all MMU data with PJM as reasonably required to understand MMU conclusions and analyses.
- 9. Informal Communications.** MMU may communicate informally (e.g. via email, telephone, or face-to-face communications) with any PJM employee as necessary to carry out the implementation of the Plan; provided that such communications are reasonable and offer appropriate time for the employee to respond consistent with the employee's other duties.
- 10. Staffing.**
- 10.1** The Market Monitor shall have the full authority and responsibility to manage MMU without PJM's involvement, including but not limited to making all human resources decisions, hiring of employees, firing of employees, and determining the compensation of employees of MMU.
- 10.2** All employees of the internal market monitoring unit as of the day before the Commencement Date of this Agreement shall have the right to employment at MMU.
- 10.3** All those persons who were PJM employees in the internal market monitoring unit as of July 1, 2007 and who remain PJM employees in the internal market monitoring unit through the Commencement Date shall have the right to return to PJM's employment, without loss of any benefits, in a position comparable to such person's position at PJM prior to the Commencement Date. This right shall terminate three years after the Commencement Date. This right of return to PJM employment shall supersede any conflicting provisions of Section 18 regarding mutual non-solicitation.
- 10.4** MMU shall maintain a staff or otherwise provide for subcontractors with the necessary expertise to perform the Services.
- 11. Dispute Resolution.**
- 11.1 Applicability.** This Section 11 shall apply to any disputes between MMU and PJM under sections IV.C, V.A, and V.E of Attachment M or any provisions of this Agreement implementing these sections of Attachment M. Notwithstanding the foregoing, nothing in this Section 11 shall limit any obligations of MMU set forth in sections IV.I.1 and IV.I.2 of Attachment M.
- 11.2 Procedures.** For any dispute between MMU and PJM for which this Section 11 is applicable, the Parties shall use the procedures set forth in this Section 11.2.

- (a) The Parties shall refer any continuing dispute between MMU and PJM to the PJM Liaison. The PJM Liaison shall attempt to facilitate resolution of such dispute by facilitating discussions among appropriate PJM employees and management and MMU.
- (b) If the PJM Liaison is unable to facilitate the resolution of any continuing dispute to the satisfaction of either MMU or PJM within 7 business days, or such other time as the Parties may agree, then either Party may refer on a non-public, confidential basis any continuing dispute to the Commission's Dispute Resolution Service and request that the dispute resolution service attempt to mediate the dispute.
- (c) If the Commission's Dispute Resolution Service is unable to resolve any continuing dispute to the satisfaction of either MMU or PJM within 15 business days, or such other time as the Parties may agree, then either Party may refer such dispute to the PJM Board or a designated committee of the PJM Board for assistance in resolving the dispute. The PJM Board or designated committee shall have the opportunity to attempt to resolve the dispute within 15 business days or such other time as the Parties may agree.
- (d) No formal proceeding may be commenced with the Commission regarding any dispute for which this Section 11 is applicable without first exhausting the procedures set forth in the foregoing Sections 11.2(a)-(c).

11.3 Data Preservation. Upon the initiation of the procedures set forth in Section 11.2, the Parties shall preserve any data or information that is the subject of such dispute pending resolution of such dispute.

11.4 Excepted Disputes. Notwithstanding the procedures set forth in Section 11.2, upon a notice or referral pursuant to section IV.I.1 or IV.I.2 of Attachment M, the Commission Staff may recommend with regard to any dispute that modified procedures be utilized for the dispute or that the Parties commence formal proceedings before the Commission without first exhausting the procedures set forth in Section 11.2.

12. Independent Contractor. Nothing herein shall be construed to create an employer-employee relationship between PJM and MMU. MMU is an independent contractor and not an employee of PJM or any of its subsidiaries or affiliates. The consideration set forth in Section 5 shall be the sole consideration due to MMU for the Services rendered hereunder. MMU will not represent to be or hold itself out as an employee of PJM. No workers' compensation insurance shall be obtained by PJM covering MMU or MMU's employees.

- 13. MMU Employee Benefit Plans.** PJM shall convert its 401(k) and pension plans to “multiple employer” plans that make coverage available to both PJM and MMU employees, and MMU shall adopt such plans as a participating employer. PJM shall convert its various other employee benefit plans, specifically its health insurance, dental insurance, educational benefits, life insurance, long-term and short-term disability insurance, flexible spending account for dependent day care and flexible spending account for medical care plans, to “multiple employer” plans or similar jointly sponsored employee benefit plans that make coverage available to both PJM and MMU employees, and MMU shall adopt such plans as a participating employer. Alternatively, PJM may determine that separate but comparable plans shall be established by and for MMU for the benefit of its employees, which plans shall be coordinated with the PJM plans so as to provide continuity of benefits both as to type and amount. PJM will bear the costs incurred in initially establishing such jointly-sponsored or other comparable plans. PJM and MMU will each be responsible for the employer contribution costs for their respective employees, and PJM and MMU will arrange an equitable sharing of the administrative costs for such jointly-sponsored plans.
- 14. Budget.** The procedures for the submission and approval of budgets shall be as set forth in Attachment M.
- 15. Shared Services.** MMU may request that PJM provide shared services to MMU, such as janitorial support, help desk support, human resources, security and payroll support. In such case, if PJM agrees to provide said services to MMU, it shall be pursuant to the terms and conditions set forth in a separate contract.
- 16. Branding.** MMU shall establish a separate and distinct name, logo, and letterhead from that of PJM. After the Commencement Date, MMU shall have no authority to use the PJM name, logo, trademarks, service marks, copyrights or other branding on any material that it creates. Notwithstanding the foregoing, MMU may hold itself out publicly as “the Independent Market Monitor for PJM.”
- 17. Conflicts of Interest.**

 - 17.1 MMU Conflicts Policy.**

 - (i) MMU shall have the Conflicts Policy set forth in this Section 17. MMU will use its best efforts to assure that all its employees comply with the Conflicts Policy and shall take appropriate disciplinary actions against employees who violate the policy.
 - (ii) MMU and employees of MMU assisting on market monitoring matters for PJM, and their spouses and dependent children, may not have a direct equity or other financial interest in a Market Participant or in a parent, subsidiary, or affiliate of a Market Participant. (The term “direct” is meant to exclude investments

such as mutual funds in which a person has no direct control, with the exception of sector-specific mutual funds.)

- (iii) MMU and employees of MMU assisting on market monitoring matters for PJM, may not undertake a matter for a third party where such representation would require disclosure of market-sensitive or proprietary information of PJM.

17.2 Prohibited Engagements and Conduct by MMU.

- (i) Neither MMU nor its employees will be engaged to provide advice, or undertake a matter for or on behalf of, any entity on any entity's participation in the PJM markets, except as otherwise authorized under subparagraphs (iii) and (v).
- (ii) Neither MMU nor its employees will be engaged by any entity in any litigation, open regulatory docket, alternative dispute resolution procedure, or arbitration with PJM, except as otherwise authorized under subparagraphs (iii) and (v).
- (iii) Neither MMU nor its employees will be engaged to appear on behalf of or against any entity before a state regulatory commission within the PJM Region in any new engagement in the electricity business (after the date of this Agreement) except as authorized under the PJM Tariff, as requested by a state regulatory commission, or as otherwise required by law.
- (iv) Neither MMU nor its employees shall accept any engagement by any market participant outside of the PJM Region that would require the MMU to take a position adverse to any PJM member or inconsistent with any MMU position taken in the PJM Region.
- (v) Neither MMU nor its employees will be engaged to appear on behalf of or against any entity before the Commission on any matter within the PJM Region in any new engagement in the electricity business (after the date of this Agreement) except as authorized under the PJM Tariff, as requested by FERC, or as otherwise required by law.
- (vi) Before MMU accepts any engagement on behalf of or against an Interested Party, it must inform the PJM general counsel and the PJM Board of such potential engagement and provide the PJM Board with an opportunity to state its objection to such representation on the ground the engagement would present a conflict of interest or result in the material appearance of conflict. At the discretion of MMU, MMU may notify the PJM general

counsel that the proposed engagement is confidential and request that the general counsel disclose the proposed engagement only to a PJM Board subcommittee in a manner which limits the disclosure of nonpublic information. Within seven (7) business days of being informed of the potential engagement by MMU, the PJM Board shall state any objection to such potential engagement. If MMU disagrees with the PJM Board's determination regarding the potential engagement by MMU, the Parties shall jointly engage the Commission's Dispute Resolution Service to determine whether the engagement would present a conflict of interest or result in the material appearance of a conflict. Unless the Commission's Dispute Resolution Service finds no conflict of interest MMU shall be precluded from accepting the challenged engagement. For these purposes, the term "Interested Party" means (x) a Market Participant; (v) a state regulatory commission within the PJM Region; or (z) a person or entity with a significant financial interest in the organization, governance or operation of PJM but shall not include PJM itself.

- (vii) MMU employees shall not accept gifts, payments, favors, meals, transportation, entertainment, or services (individually, "Gift," and collectively, "Gifts"), of other than nominal value within a calendar year from PJM, Authorized Government Agencies, any market participant, contractor, supplier or vendor to the MMU. Gifts not exceeding One Hundred Fifty Dollars (\$150) shall be deemed to be of "nominal value." Similarly, neither MMU nor any MMU employee shall offer any Gift to any public official or Market Participant unless such Gifts: are legal; not offered for specific gain or reciprocal action; follow generally accepted ethical standards; and are of nominal value.

17.3 Compliance with All Applicable Laws. MMU will use its best efforts to assure the compliance of MMU and its employees with all applicable laws, including but not limited to those referenced in the PJM Code of Conduct.

18. Mutual Non-Solicitation.

- (a) Neither Party shall solicit the employment of the employees of the other Party either directly or indirectly.
- (b) Notwithstanding paragraph (a), neither Party shall be prohibited from giving consideration to any application for employment submitted by an employee of the other Party, in the absence of solicitation under paragraph (a).

- (c) Should an employee of one Party, in the absence of solicitation under paragraph (a) by the other Party, seek or begin employment with the other Party, then PJM and MMU shall establish a reasonable transition period for the Party losing the employee to restore the functionality that would be lost as a result of the employee's departure.
- 19. Confidentiality.** MMU and its employees and contractors shall comply with the confidentiality provisions set forth in Attachment M of the PJM Tariff.
- 20. Intellectual Property.** PJM and MMU shall jointly own all intellectual property that the PJM Market Monitoring Unit developed prior to the Commencement Date. During the term of this Agreement, PJM and MMU shall have reciprocal licenses to use each others intellectual property in connection with, in the case of MMU, its rights and obligations under this Agreement and, in the case of PJM, its rights and obligations as an RTO.
- 21. Security.** The Parties agree that physical and cyber security is of utmost importance and critical to the operations of PJM. Accordingly, the Parties agree to the following security provisions:
- (a) Upon reasonable notice and during normal business hours, PJM shall have the right to go onto MMU's property or web site to evaluate MMU's physical and logical security annually or as reasonably necessary. MMU shall provide information reasonably necessary for PJM to complete its security evaluation.
 - (b) At PJM's expense, MMU shall comply and demonstrate compliance with any reasonable written recommendations resulting from PJM's physical and logical security evaluation of MMU's site.
 - (c) MMU is required to immediately notify PJM of all known attempted and/or successful breaches to MMU's security by any unauthorized third party(ies) that has or reasonably may result in access to or exposure of PJM's data or MMU's performance of the Services. MMU agrees to take commercially reasonable efforts to detect any unauthorized access attempts.
 - (d) MMU's use of the service of any person who is not an employee of MMU or of the service of any entity or organization in the performance of the Services is subject to the requirements of this Agreement, including the confidentiality requirements and required security provisions for entities, persons, or organizations that may have access to PJM information.

- (e) PJM reserves the right to have a background investigation performed on any employee, representative or subcontractor of MMU who will be performing Services for PJM, regardless of location, prior to commencement of, or during, such engagement. Such background investigation shall be performed in the same manner and using the same disqualification standards as PJM uses for similarly situated PJM employees or contractors that have access to comparable information or perform similar functions. If any employee, representative or subcontractor of MMU is disqualified from working on an engagement as a result of a finding in the background investigation, MMU will be immediately notified. PJM shall disclose to a single human resources employee of MMU, as designated by MMU, the details of any background investigation that results in a disqualification, which information shall not be shared with any other person, excepting MMU counsel, unless required in the course of the resolution of a dispute under this Agreement, in connection with legal process, or as otherwise required by law; otherwise, PJM shall not be obligated to disclose to MMU any specific details of the background investigation findings which resulted in the disqualification. Within a commercially reasonable period of time after receiving written notification of disqualification, MMU shall be responsible for replacing such disqualified employee, representative or subcontractor with a suitable replacement candidate, subject to the reasonable approval by PJM based on the required background investigation.

- 22. **Force majeure.** Neither Party shall be considered to be in default in the performance of its obligations under this Agreement to the extent that the performance of any such obligation is prevented or delayed by any cause which is beyond the reasonable control of the affected party.
- 23. **Liability.** The provisions regarding liability to third parties set forth in Attachment M to the PJM Tariff shall apply with respect to this Agreement. Any monetary liability as between PJM and MMU shall be limited in amount to the rate paid to MMU as set forth in Section 5 of this Agreement. This limitation on damages shall not affect either Party's rights to obtain equitable relief as otherwise provided in this Agreement. The provisions regarding liability shall continue in full force and effect notwithstanding the expiration or termination of this Agreement with respect to events that occurred prior to such termination.
- 24. **Indemnification.** Each Party shall indemnify and hold harmless the other Party, and the other Party's employees, from and against any and all loss, liability, damage, cost or expense to third parties, including damage and liability for bodily injury to or death of persons, or damage to property or persons (including reasonable attorneys' fees and expenses, litigation costs, consultant fees,

investigation fees, penalties or fines, and any such fees and expenses incurred in enforcing this indemnity or collecting any sums due hereunder) (collectively, “Loss”) to the extent arising out of, in connection with, or resulting from the negligence or willful misconduct of the indemnifying Party or its contractors, including but not limited to any claims arising under any employment law; provided, however, that no Party shall have any indemnification obligations under this Section 24 in respect of any Loss to the extent the Loss results from the negligence or willful misconduct of the Party seeking indemnity.

- 25. No Third Party Beneficiaries.** The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the Parties to this Agreement, and shall inure solely to the benefit of the Parties to this Agreement. The provisions of this Agreement are intended only to assist the Parties in determining and performing their obligations under this Agreement. The Parties to this Agreement intend and expressly agree that only Parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a Party’s performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.
- 26. Notice.** The PJM Board shall notify MMU in writing as soon as practicable if it determines that MMU has acted (or failed to act) in a manner that the PJM Board believes is not adequate performance of the MMU’s functions set forth in the Plan (“inadequate performance”). The notice shall specify in detail the nature of the alleged inadequate performance. The PJM Board and MMU shall meet within 10 days after the delivery of the notice to discuss (i) whether the alleged inadequate performance arose from causes beyond MMU’s control or without fault or negligence on MMU’s part; (ii) the efforts that MMU proposes (if any) to make to remedy the alleged inadequate performance; and (iii) the procedures which MMU should implement to avoid future inadequate performance of the type alleged in the notice.
- 27. Notice Procedures.** Notice to any party hereto shall be in writing and shall be deemed to be delivered on the earlier of: (a) the date of personal delivery, (b) if deposited in a United States Postal Service depository, postage prepaid, registered or certified mail, return receipt requested, or sent by express courier, in each case addressed to such party at the address indicated below (or at such other address as such party may have theretofore specified by written notice delivered in accordance herewith), upon delivery or refusal to accept delivery, or (c) if transmitted by facsimile, the date when sent and facsimile confirmation is received; provided that any facsimile communication shall be followed promptly by a hard copy original thereof by express courier:

If to MMU: Monitoring Analytics, LLC
P.O. Box 768
Southeastern, PA 19399-0768

If to Dr. Bowring: Monitoring Analytics, LLC
P.O. Box 768
Southeastern, PA 19399-0768

If to PJM: PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497
Attn: President
Facsimile: (610) 666-4281

With a copy to: PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497
Attn: General Counsel
Facsimile: (610) 666-4281

- 28. Disputes.** Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be presented to the Commission for resolution, subject to any applicable requirements of Section 11. MMU shall provide all Services under this Agreement and PJM shall make all payments under this Agreement until the Commission orders otherwise.
- 29. Expression of Professional Opinion.** MMU's public expression of its professional opinion in the performance of its duties as set forth in the Plan, including any criticism or comment as to PJM market rules, market design, mitigation, or operations, shall not be grounds for termination, threatening termination, or holding back or impeding payment under Section 5 of this Agreement.
- 30. Entire Agreement.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and replaces and supersedes all other agreements or understandings, whether written or oral. Notwithstanding the foregoing, it is the express understanding of the Parties that nothing in this Agreement is intended, nor shall it be deemed, to change or amend any terms or conditions of the PJM Tariff. Furthermore, in the event of a conflict between any provision of this Agreement and the terms of the PJM Tariff, in particular Attachment M, the PJM Tariff shall in all events be controlling.
- 31. Assignment.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by each Party hereto and its respective successors and

permitted assigns. Neither this Agreement, nor the duties to be performed hereunder, shall be assigned, delegated or otherwise disposed of by either Party without the prior written consent of the other Party. Other than as specifically set forth herein, MMU shall not subcontract any portion of the duties to be performed under this Agreement or under the PJM Tariff without the express written consent of PJM, which consent shall not be unreasonably withheld. Any assignment of this Agreement without PJM's written consent is unlawful and shall be deemed to be void.

32. **Governing Law.** This Agreement shall be governed and construed in accordance with applicable Federal law and the laws of the Commonwealth of Pennsylvania without regard to its principles of conflict of laws.
33. **Severability.** If any provision of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction because of present or future laws or any rule or regulation of any governmental body or entity, effective during its Term, such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.
34. **Modification.** Except as stated in Attachment M, no amendment, modification, termination or attempted waiver of this Agreement, or any provision thereof, shall be valid unless agreed to by the Parties in writing. Any such modification shall be provided to the OPSI Advisory Committee, MMU Advisory Committee, and PJM members.
35. **Compliance with Commission Regulations.** To the extent that the Commission issues any new rule or regulation, or modifies any existing rule or regulation, the parties shall negotiate in good faith to conform this agreement to such Commission rule or regulation.
36. **No Waiver.** The waiver by a Party of any instance of another Party's noncompliance with any obligation or responsibility of this Agreement must be in writing and signed by the waiving Party to be effective as a waiver, and shall not be deemed a waiver of any other instances of such other Party's noncompliance.
37. **No Agency or Joint Venture.** This Agreement shall not constitute any Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against or in the name of or on behalf of the other party unless expressly permitted by such Party. Nothing herein is intended, or to be construed, to create a joint venture or partnership between the Parties.
38. **Counterparts.** This Agreement may be executed in one or more counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, this Agreement is effective as of the date first written above.

PJM INTERCONNECTION, L.L.C.

Monitoring Analytics, LLC

By: Karl Pfirrmann
Karl Pfirrmann
Interim President and CEO

By: _____
Joseph Bowring

Date: 12-18-2007

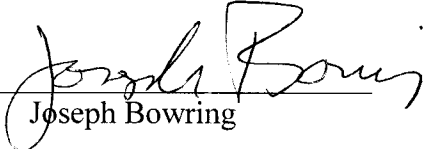
Date: _____

IN WITNESS WHEREOF, this Agreement is effective as of the date first written above.

PJM INTERCONNECTION, L.L.C.

Monitoring Analytics, LLC

By: _____
Karl Pfirrmann
Interim President and CEO

By: 
Joseph Bowring

Date: _____

Date: 12-18-07

**Appendix A
To Market Monitoring Services Agreement**

Information Technology Costs, Build-out Costs, and Other Infrastructure Costs

Hardware
<p>General Server:</p> <ul style="list-style-type: none"> • IBM 1x8 Console Switch with 3 Year Onsite Repair 24x7 4 Hour response • 42U Rack - APC with Wire Management - Side Panels and Doors • Extension Cords from UPS to OverHead Outlet Mounted on Cable Ladders • Monitor For KVM • Mini - Keyboard with Integrated Mouse • Ricoh MultiFunction 20 PPM black/white and Color with Fax, Scan, Print, Copy - avg. 5000 pages/month - 5 years • HP Plotter - 44" Black and White with Embedded Post Script • Fax Machine • APC Metered Rack PDU Power Distribution Units - AC 208 V - Ethernet 10/100 - 16 Output Connectors (2U)
<p>Blade Centers Redundant Switches:</p> <ul style="list-style-type: none"> • IBM eServer BladeCenter Chassis with 2x2000W PSU • IBM BladeCenter 2000W Power Supplies 3 & 4 • Nortel Networks L2/3 Fiber GbE Switch Module for IBM eServer BladeCenter • Qlogic® 20-Port 4 GB SAN Switch Module BladeCenter • 4 Gbps SW SFP Transceiver 4 Pack • BladeCenter Redundant KVM/Advanced Management Module • 3 Year Onsite Repair 24x7 4 Hour Response
<p>Blade Servers, 2HDD (Mirrored OS), FC HBA, 8 GB RAM for VMWare:</p> <ul style="list-style-type: none"> • HS21, Xeon Quad Core E5355 2.66 GHz/1333MHz/8 MB L2, 2x1 GB, O/Bay SAS • Intel Xeon Quad Core Processor Model E5355 120w 2.66 GHz/1333MHz/8MB L2 • 8 GB (2x4GB) PC2-5300 CL5 ECC DDR2 Chipkill FBDIMM Memory Kit • IBM 73.4 GB 10K SFF SAS HDD • Emulex 4GB SFF Fibre Channel Expansion Card for IBM BladeCenter • 4 Year Onsite Repair 24x7 4 Hour Response • IBM eServer BladeCenter JS21 - two 2.5 GHz PowerPC 970MP Processors - 2 Way - 4 MB Cache, 4 GB RAM 73 GB SAS • Crucial Memory - 4 GB (2 x 2 GB) Dimm 240 Pin - DDR II • IBM eServer Blade Center SFF Gigabit Ethernet Expansion Card Network Adapter • IBM Ethernet Expansion Card (CFFv) for IBM BladeCenter - Network Adapter • IBM pSeries P5 570 Server with 8 Procs @ 1.65GHz CPU and 64 GB of RAM

Appendix A
To Market Monitoring Services Agreement

Hardware

Storage Area Network Unit 1 DS4800 15TB:

- DS4000 EXP810 Expansion Unit Model 81
- (26K7941) SW 4 Gbps SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
- Attach to DS4800 (1815)
- Field Integrate EXP810
- (6952300) Power Cord 125V/10A/2.8m, (Group 1)
- DS4000 EXP810 Expansion Unit Model 81
- (26K7941) SW 4 Gbps SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
- Attach to DS4800 (1815)
- Field Integrate EXP810
- (6952300) Power Cord 125V/10A/2.8m, (Group 1)
- DS4000 EXP810 Expansion Unit Model 81
- (26K7941) SW 4 Gbps SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
- Attach to DS4800 (1815)
- Field Integrate EXP810
- (6952300) Power Cord 125V/10A/2.8m, (Group 1)
- DS4800 Disk System Model 84 (8 GB Cache)
- (26K7941) SW 4 Gbps SFP Transcvr Pair
- (22R4244) DS4800 FlashCopy
- (22R4248) DS4800 FC/SATA Encl. Intermix
- (22R4251) Windows Host Kit
- DS4800 16-Storage Partitions
- Field Inegrate DS4800
- IBM Total Storage Productivity Center Limited Edition
- Per Terabyte w 1Yr SW Maint
- CD-ROM MultiLingual
- IBM Total Stg Prod Center Limited Edition Reg/Ren:L 1 Yr
- 1 Per Terabyte SW Maint No Charge 1 Y Reg

Appendix A
To Market Monitoring Services Agreement

Hardware

Storage Area Network Unit 2 DS4800 20TB:

- DS4000 EXP810 Expansion Unit Model 81
- (26K7941) SW 4 GPbs SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
- Attach to DS4800 (1815)
- Field Integrate EXP810
- (6952300) Power Cord 125V/10A/2.8m, (Group 1)
- DS4000 EXP810 Expansion Unit Model 81
- (26K7941) SW 4 GPbs SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
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- (6952300) Power Cord 125V/10A/2.8m, (Group 1)
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- (26K7941) SW 4 GPbs SFP Transcvr Pair
- 16-Pk 4 Gbps FC, 300 GB/15K E-DDM
- (39M5696) 1m 50u Fiber Optic Cable (LC-LC)
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- (22R4251) Windows Host Kit
- DS4800 16-Storage Partitions
- Field Inegrate DS4800
- IBM Total Storage Productivity Center Limited Edition
- Per Terabyte w 1Yr SW Maint
- CD-ROM MultiLingual
- IBM Total Stg Prod Center Limited Edition Reg/Ren:L 1 Yr
- 1 Per Terabyte SW Maint No Charge 1 Y Reg

**Appendix A
To Market Monitoring Services Agreement**

Hardware
<p>Backup Solution:</p> <ul style="list-style-type: none"> • TS3200 Tape Library 78.8TB Capacity (Compressed) – Ultrium 4 Fiber Channel Tape Drive • 3573 Additional Power Supply • 3 Year Onsite Repair 24x7 4 Hour Response • Ultrium 4 Fibre Channel Drive • 3573 Rack Mount Kit • 3573 Right Side Magazine • Ultrium Cleaning Cartridge • Ultrium 4 Data Cartridges (5 Pack) • Rack to PDU Line Cord • 5.0 m LC/LC Fibre Cable
<p>Security:</p> <ul style="list-style-type: none"> • ASA 5520 Appliance with AIP-SSM-10 (Advanced Intrusion Prevention) Module/VPN • ASA 5510 Appliance with AIP-SSM-10 (Advanced Intrusion Prevention) 50/VPN • SmartNet 24x7x4 IPS-AS2A10K9 • SmartNet 24x7x4 O/S IPS-AS1A10K9 • RSA EnVision LCT - Local Collection SEM Appliance • RSA Authentication Manager Base Ed-Per/U 30-50U AUT00000050B • RSA SecurID SID700 Key Fob - 3-Year Validity SID700-6-60-36-500
<p>Network:</p> <ul style="list-style-type: none"> • Cisco 2821 VCE BDL-PVDM2-32 IOS SP SER • Cisco 3845 SEC BDL-AIM VPN EPII + ADV IP • Cisco 3750G 24 10/100/1000 + 4 SFP SMI Switch • Cisco CAT 2960 48 10/10 PT + 2-SFP LAN LITE I • 6 FT Cat 6 RJ45 UTP Network Cables • 3 FT Cat 6 Molded Patch Cable Grey
<p>Phone System with Voicemail and Content Filter:</p> <ul style="list-style-type: none"> • Avaya IP Office 406 with Voice Mail and Phones for 50 Stations • Barracuda Networks Web Filter 310 with 5 Yr Energize Updates Subscription Bundle BYF310a5
<p>Laptop / Desktop Hardware:</p> <ul style="list-style-type: none"> • Lenovo ThinkPad Essential Port Replicator 250510W • Lenovo ThinkPlus USB Keyboard with Ultranav 31P8950 • Lenovo ThinkPlus ScrollPoint Pro Optical Mouse USB & PS2 31P8700 • Lenovo ThinkPad Notebook Carrying Case - Backpack 73P3599 • HP Smart Buy L2045W 20.1" LCD Widescreen Flat Panel Monitor RD125A8#ABA • Lenovo ThinkCentre M55 - Intel Pentium D 3.0 GHz Desktop 8811FHU - 1 GB RAM, 80 GB HD, CD-RW/DVD • 1 GB PC2-6400 800 MHz DDR2 SDRAM UDIMM Memory

**Appendix A
To Market Monitoring Services Agreement**

Software
<p>Document Management System:</p> <ul style="list-style-type: none"> • Express Multi-Tier Protection 11.0 BD Basic 12 MO for Servers and Clients (54 Clients and 18 Servers) • MS MBL W2003 CAL Per User • MS MBL W2003 SRV STD R2 • Windows 2003 CAL • MS MBL SharePoint SRV 2007 • MS MBL Sharepoint ENT User CAL 2007 • MS MBL Sharepoint User Cal 2007 • MS WWF Sharepoint 2007 32/64 Med Ent • MS WWF W2003 SRV STD R2 32/64 Media
<p>Messaging Server – Clustered:</p> <ul style="list-style-type: none"> • Microsoft Windows 2003 Server Enterprise x64 Bit • Microsoft Windows 2003 CALS • OV L/SA Exchng User CAL 3 YR / ACQYR1 - MSOPN VAL • OV L/SA Exchange ENT W/ SVC USER CAL 3Y MS OPN VAL • OV L/SA Exchange SVR-3YR/ACQYR1 - MS OPN VAL • OV L/SA Exchange SVR ENT 3YR/ACQYR1 MS OPN VAL • EXP 1 YR SUB PREM ANTISPAM ADDON 1.0 to SMS Exchange and Dom user BD
<p>SAS Environment – Group 1 Server S9107-4P1C:</p> <ul style="list-style-type: none"> • Microsoft Windows 2003 Server Enterprise • Microsoft Windows 2003 Server CALS • SAS Analytics Pro (Base SAS, SAS/GRAPH, SAS/STAT) • SAS/Access Interface to ODBC Software • SAS /Access Interface to OLE DB Software • SAS/Access Interface to Oracle Software • SAS/Access Interface to PC Files Software • SAS/Connect Software • SAS Enterprise Guide (100 Users) • SAS/ETS Software • SAS/FSP Software • SAS/IML Software • SAS Integration Technologies • SAS/OR Software
<p>SAS Environment – Personal Server B S9107-1P2C:</p> <ul style="list-style-type: none"> • SAS BI Server • SAS/Connect Software • SAS/Access Interface to ODBC Software • SAS /Access Interface to OLE DB Software • SAS/Access Interface to Oracle Software • SAS/Access Interface to PC Files Software • SAS/STAT Software

**Appendix A
To Market Monitoring Services Agreement**

Software
<p>SAS Environment – Personal Server B S9107-1P2C - For Test Purposes:</p> <ul style="list-style-type: none"> • SAS BI Server • SAS/Access Interface to ODBC Software • SAS /Access Interface to OLE DB Software • SAS/Access Interface to Oracle Software • SAS/Access Interface to PC Files Software • SAS/Connect Software • SAS Enterprise Guide (100 Users) • SAS/ETS Software • SAS/FSP Software • SAS/IML Software • SAS/STAT Software • SAS/OR Software
<p>VMWare Products:</p> <ul style="list-style-type: none"> • Subscription Only Vmware VI3 Enterprise - 2 Sockets - 1 Year Full • Vmware VI3 Enterprise - 2 Sockets (License Only) • Subscription Only Vmware VCMS 2 - 1 Year Full • VMWare VCMS 2 for VI3 (License Only)
<p>Citrix Server:</p> <ul style="list-style-type: none"> • Windows 2003 Server • Windows 2003 CAL • Citrix Presentation Server - Enterprise - Works on VMWare
<p>Microsoft SQL Server (on Separate Blade) w/ Integration and Reporting Services:</p> <ul style="list-style-type: none"> • Windows 2003 Server Enterprise Server x64 • Windows 2003 CAL • Microsoft SQL Server 2005 Enterprise Edition for 50 Users x64 • MS MBL SQL User CAL 2005
<p>Domain Controllers and RSA Authorization Primary and Replica:</p> <ul style="list-style-type: none"> • Windows 2003 Server • Windows 2003 CAL
<p>Web Server:</p> <ul style="list-style-type: none"> • Windows 2003 Server • Windows 2003 CAL • BEA Web Logic Application Server
<p>File / Print Server and Management Server for Anti-Virus, Centralized Admin, WSUS, Virtual Center, etc:</p> <ul style="list-style-type: none"> • Windows 2003 Server • Windows 2003 CAL

**Appendix A
To Market Monitoring Services Agreement**

Software
Backup Server – Tivoli Storage Manager: <ul style="list-style-type: none">• Windows 2003 Server Enterprise Server• Windows 2003 CAL• Tivoli Storage MGR Ext Ed 10 Values Lic MNT• Tivoli Storage MGR EXT ED 10 Values LIC MNT• Tivoli Storage MGR Storage Area NTWKS 10 Values Lic MNT• Tivoli Storage MGR Databases 10 Values LIC MNT• Tivoli Storage MGR Mail 10 Proc Values (PVUS) LIC MNT
Infrastructure Monitoring Solution: <ul style="list-style-type: none">• Windows 2003 Server Enterprise• Windows 2003 CAL• Microsoft System Center Essentials 2007• OLP ML System Center Essentials SVR 2007 NL
Data Archiving Solution – Princeton Softech Optim: <ul style="list-style-type: none">• Windows 2003 Server Enterprise• Windows 2003 CAL• Princeton Softech - Optim Data Archiving Solution on Windows Platform
MMAF Application Server- (MMU30AWP & MMU30AWT): <ul style="list-style-type: none">• Windows 2003 Server Enterprise• Windows 2003 CAL• Areva MMAF Software and License Transfer or Sublicense
Data Warehouse (Oracle on AIX) Clustered Environment using HACMP: <ul style="list-style-type: none">• IBM AIX Version 6.1 (or latest)• Oracle Enterprise Edition 10G per Processor• Oracle Client

Appendix A
To Market Monitoring Services Agreement

Software

Desktop / Laptop Software:

- Windows Vista Business Edition
- Adobe Acrobat Distiller
- Adobe Acrobat Standard
- CardScan Executive v.8 - Scanner and Software
- Austin and Haynes Employee Appraiser Deluxe version 5
- Exceed Hummingbird (latest version or version 9)
- IBM Record Now - Free with IBM Laptop / Desktop
- Microsoft MAP Point North America (latest)
- Microsoft Project 2007
- Microsoft Office 2007 Enterprise
- MS Visio 2007 if not included in above
- Oracle Forms and Reports
- Power DVD
- Sonic Express Label Software
- Quest SQL Navigator (TOAD)
- UltraEdit-32
- VZAccess Manager
- Winzip
- Quickbooks Enterprise (latest edition)
- Mercury Quality Center
- Source Gear Vault 4.0 (Version Control Software)
- Math CAD
- Math Type
- Microsoft SQL Client for SSIS/SSRS (integration services and reporting services)

**Appendix A
To Market Monitoring Services Agreement**

Labor
Labor Associated with set-up, configuration, and installation

Other
Building: <ul style="list-style-type: none">• Architectural / Engineering Design Fees• Temporary / Permanent Relocations• Demolition Within Existing Space• Construction Within Existing Space• Computer Room Air Conditioning Unit• Kitchenette Equipment
Building Wiring: <ul style="list-style-type: none">• Horizontal Cabling System - furnish and install 52 Work Area Outlets - 156 Cat 5E cables• 13 Each Standard (3x Cat5E) wall-mounted WAOs• 36 Each Standard (3x Cat5E) furniture-mounted WAOs• 3 Each Standard (3x Cat5E) Floor Mounted WAOs• All cables will be Cat 5E cables, plenum (CMP) Rated• All CAT 5E jacks will match the color of faceplates• Cables will be identified with machine-printed labels at each end• Closet Terminations - all Horizontal Cables will terminate to 48 Port Cat 6 modular (8p8c) rackmounted patch panels• Horizontal wire manager below each patch panel plus one at the top per rack• Telecomm Room - Furnish and install racking and wire management to fit-out the telecom room• 1 each 7' x 19" free-standing Data Relay Rack, with 2 vertical wire management channels.• Up to 20 L.F. of 12" wide overhead ladder tray• Demarc Extension• Furnish and install a 25 pr Cat3 cable from server room over to Demarc Closet. Terminate on 66 Block Punchdowns• Furnish and install 4 Cat5E cables from Server room over to Demarc Closet. Terminate on 4 open ports of last patch panel• Testing• All Cat5E Cables will be tested to the latest EIA/TIA Cat5E specifications• Permit Pricing is included• Patchcords or voice cross-connect are not specified as part of this contract

**Appendix A
To Market Monitoring Services Agreement**

Other
<p>Building Furniture:</p> <ul style="list-style-type: none"> • (36) Knoll Dividends : 64" H Panels w/electric, 48x48 Corner, 24x24 & 24x48 worksurface (2) ovrhds, 1 pedstl, 1 30 w lateral file • Goal low back tilter with infinite tilt lock. Pneumatic seat • Comet Arm Chair • Reflect Dble Ped Dsk (66wx30Dx29H) • Reflect Knspc Cred/66wx24dx29h • Reflect Opn Bkcs/36wx15dx42h • Enterprise High Back Tilter with Impact and scuff resistant arms • 9300 Series Lateral File • Racetrack Table 7' x 44" Conf Table Laminate Avant Cherry • Rectangular Table, 6' x 36" Conf Table Laminate Avant Cherry • 48" Round Table Conf Table Laminate • Enterprise Low Back Tilter Impact and Scuff Resistant Arms • 24" Deep free standing table -4 tapered legs with levelers. Bungee Laminate (Mail Room) • 36" Round Table (Kitchen Break Room) • Flexon Stacking arm Chair Durable High Impact polypropylene • Shelving 1 lot (3) Box Shelving Units, 72"H x 36"w x 15" d (Storage Mail Room) • Havana Club Chr Full Uph (Reception) • Havana Settee Full Uph (Reception) • Chambers Coffee Tbl/50wx24dx16h Veneer Top / Chassis (Reception) • Budget for Reception Desk (Reception) • Goal Low Back Tilter with Infinite tilt lock Pneumatic seat (Reception) • Sales Tax on items
<p>Building Security - Access Control System / Closed Circuit TV System with 4 Cameras and DVR - 45 Days of Clips:</p> <ul style="list-style-type: none"> • Access Control System per Card Reader • Key FOBS for Access - Key Chain • Closed Circuit TV - 4 Camera System with Raven Digital Recorder w/ Built-in CD Burner • 9 - Channel DVR - clips recorded and sent to a file server - 45 Days of recording
<p>Building Audio/Video Equipment for 3 Conference Rooms:</p> <ul style="list-style-type: none"> • Conference Room #1 and #3 - 50" Wall Mounted LCD Display with Portable Projector • Conference Room #2 - Two LCD Displays, Audio Conferencing, Presentation Functionality and Control
<p>Power Requirements:</p> <ul style="list-style-type: none"> • APC Symmetra PX 20kW Scalable to 40kW N+1, 208 V + (2) SYBT4 Battery Unit Runtime 32 Minutes - • Electrical Service - Dedicated Circuit

Attachment E

Service Level Agreement

Service Level Agreement between
PJM Interconnection, L.L.C.
-and-
Monitoring Analytics, LLC

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THIS SERVICE LEVEL AGREEMENT (the “SLA”) is made and entered into as of this 18th day of December, 2007 (the “Effective Date”), by and between PJM Interconnection, L.L.C., with offices at 955 Jefferson Avenue, Norristown, PA 19403 (“PJM”) and Monitoring Analytics, LLC, with offices at 2621 Van Buren Avenue, Valley Forge Corporate Center, Norristown, PA 19403 (“MMU”). Each of PJM and MMU may also be referred to individually hereinafter as a “Party”, and collectively as “the Parties.”

1. Purpose

The purpose of this SLA is to define and support the transfer, access to, exchange, retention and protection of data between PJM and the MMU, and the extent of the access by MMU to PJM’s production, development and test environments during the term of the Market Monitoring Services Agreement dated December 18, 2007 entered into by and between PJM and MMU, as it may be amended from time to time (“MMS Agreement”).

2. Scope of Services

PJM will provide the following to MMU:

- a. The data delineated in attached Appendix A and Appendix C from the sources referenced therein or from any additional or replacement sources.
- b. Real-time access to PJM’s production systems for real-time data monitoring (read-only) via Virtual Private Network (“VPN”) over a dedicated fiber optic connection to MMU’s offices located at 2621 Van Buren Avenue, Valley Forge Corporate Center, Norristown, PA, as delineated in attached Appendix B.
- c. Regular and emergency support as outlined herein.
- d. Additional data, as and when requested by MMU, pursuant to the express terms, conditions and limitations of this SLA.

MMU will provide the following to PJM:

- a. The data delineated in attached Appendix E from the sources referenced therein or from any additional or replacement sources.
- b. Regular and emergency support as outlined herein.
- c. Additional data, as and when requested by PJM, pursuant to the express terms, conditions and limitations of this SLA.

3. Service Period

This SLA shall commence as of the Commencement Date defined in the MMS Agreement, and shall continue and be coterminous with the MMS Agreement.

4. SLA Review and Amendment

This SLA will be reviewed on at least an annual basis, or more frequently at the request of either MMU or PJM, to determine if changes are required. PJM and the MMU will meet annually, consistent with the timing of PJM’s and MMU’s planning cycles, to review the levels of support provided and the associated hardware and software and to determine whether the levels of support need to be increased to meet agreed to levels of performance. Any requested changes to this SLA must be submitted in writing to each of the following individuals for review:

- Market Monitor
- PJM Sr. Vice President - Reliability Services
- PJM ITS Executive Director

No amendment, modification, termination or attempted waiver of any provision of this SLA shall be valid unless it is in writing and signed by an authorized representative of both PJM and MMU. Any disagreements between the Parties with regard to the amendment, modification, termination or waiver of a provision of this SLA shall be determined pursuant to the terms of the dispute resolution provisions of the MMS Agreement.

5. Responsibilities of PJM

PJM will ensure that MMU has access to PJM's information, data and systems, as required by Attachment M of the PJM Open Access Transmission Tariff ("Attachment M"), that MMU needs in order to carry out its functions, duties and responsibilities under of the PJM Open Access Transmission Tariff ("Tariff"), and that the data is delivered according to the timeline and methods set forth in this SLA. PJM is not responsible for MMU's use, calculations or applications of the information and data.

PJM will provide access to data and systems to MMU via VPN over a dedicated fiber optic connection and through appropriate security permissions to PJM's production systems as such access is permitted or otherwise limited by the terms of this SLA.

6. Responsibilities of MMU

MMU will receive data in the format delineated in this SLA and will ensure the appropriate security and protection of any market sensitive and confidential data. MMU's ability to provide such data or any compilation or summary of such data shall be subject to Attachment M. MMU is responsible for any applications and/or uses of the data that reside at MMU's office location and that of its consultants, contractors and other agents. MMU shall ensure that its consultants, contractors or other agents abide by PJM's confidentiality and security requirements.

If NERC or a Regional Entity determines that MMU or any of its systems is subject to one or more of the NERC Critical Infrastructure Protection Standards, subject to appeal to the Federal Energy Regulatory Commission, MMU must comply with said standards.

7. Technical and Maintenance Support

PJM will provide technical and maintenance support to MMU related to MMU's use of the Data Exchange System set forth in Section 20 hereof ("Data Exchange System") and access to PJM's systems as set forth in this SLA. A manager level (or above) employee of PJM's IT Department will be identified as the business owner of the Data Exchange System. All support inquiries should be directed to the PJM Support Center at 610-666-8886.

MMU will provide technical support to PJM related to MMU's transfer of data in the event that MMU's feed to the Data Exchange System does not function properly. All support inquiries should be directed to MMU Manager, IT.

PJM will provide break-fix technical support, pursuant to Sections 16 and 17 of this SLA, and maintenance support at a threshold level of two thousand (2,000) hours per year, not to exceed 500 hours per calendar quarter, at no cost to MMU.

The cost of providing ad hoc data will be borne by MMU up to 250 person hours after which MMU may charge PJM at the rates listed in Appendix F as updated and agreed to by the Parties.

PJM and MMU will meet at least annually, consistent with the timing of PJM's and MMU's planning cycles, to review whether the number of hours needs to be increased to support the existing services provided to MMU or PJM. To the extent necessary to meet their obligations to provide support for the existing services to MMU or PJM, PJM and MMU will increase the total number of hours of technical support that each provides under this SLA at no cost to ensure that each is able to perform its obligations. If MMU or PJM requires additional support within a planning year or requires new services not previously agreed to, PJM may charge the MMU or MMU may charge PJM at PJM's current internal project labor rates used in its own project and support accounting as listed in Appendix F as updated and agreed to by the Parties.

Maintenance support shall be defined as processing MMU change requests, testing MMU code, modifying user access, or any other support required to keep the data exchange system functioning as a result of an MMU change. PJM will be responsible, and will not charge MMU, for maintaining the data exchange technical environment including software upgrades and patches. Any break-fix technical support provided to MMU by PJM that is driven by PJM's changing business needs or that is the result of a failure of PJM's systems shall not be billed to MMU.

8. Support Hours

PJM will provide technical support to MMU during PJM's core business hours from 8:00 a.m. to 5:00 p.m., Monday through Friday. After PJM's core business hours, on weekends and holidays, technical support shall be provided through PJM's IT Operations Center only on an on-call basis. MMU will provide technical support to PJM during the working hours of the relevant MMU staff.

Should MMU know in advance that it will require technical support outside of PJM's core business hours for more than one hour, MMU shall make a special request to PJM, giving at least 24 hours notice of thereof. In such case, PJM will extend the technical support hours to meet specific needs of MMU.

9. Availability

The Data Exchange System shall operate on a 24x7 schedule, except for a sixteen (16) hour period of time during which quarterly maintenance is expected to be performed on the system. The Data Exchange System will be available for 95% of the total hours in a year, minus the downtime for scheduled maintenance as described in Section 10 of this SLA.

(365 days per year x 24 hours per day = 8760 hours – 16 hours for quarterly maintenance = 8744 hours per year; 8744 hours per year x 0.05 = 437 hours of possible downtime per year.)

10. Scheduled Maintenance

PJM expects that the Data Exchange System will need four (4) hours of downtime per quarter for system upgrades and maintenance. Such downtime will typically be scheduled for

Saturdays, and MMU will receive prior notification thereof. PJM shall use reasonable efforts to plan any such outages to minimize the impact on MMU.

If system maintenance is expected to take longer than the four hour window per quarter or takes the system below the 95% availability threshold, PJM shall contact MMU to so advise at least two (2) business days in advance for non-emergency maintenance. In such case, the Parties shall make an effort to come to mutual agreement as to the outage time, in advance, and in writing. The representatives of both parties for the purpose of resolving issues of the duration of system maintenance are:

Contact List:

MMU – Manager, IT

PJM – Manager, ITS IT Operations Center

11. Production System Access and Access Termination

MMU will be granted production access (read only) via VPN over a dedicated fiber optic connection. PJM and MMU will cooperate not to cause negative performance impacts on PJM's production systems resulting from MMU's access to or use of these systems, and to prevent access to such systems by non-MMU employees. In the event that MMU's access or use of these systems cause levels of performance degradation that are unacceptable to PJM, PJM will contact MMU to attempt to resolve the issue. For purposes of this SLA, negative performance impact is defined as a single Oracle call taking more than 5 minutes of CPU time. In such case, the MMU user will receive an Oracle error message stating that the query exceeds the allowed utilization. PJM reserves the right to terminate any session that results in a negative impact on the performance of a production system. When possible, PJM will communicate with MMU before terminating sessions and will work with MMU to schedule a time to re-establish sessions. Notwithstanding the foregoing, PJM reserves the right to terminate any session without notice to MMU in an emergency situation or for security reasons. In such a case, PJM will explain in writing to communicate with MMU why the session was terminated within one (1) business day from the date the session was terminated.

12. Development and Test System Access and Access Termination

PJM shall provide MMU with read only access to the same development and test systems that MMU has access to as of the Effective Date as specified in Appendix B of this SLA. Going forward, access to development and test systems shall be continued, granted or revoked on a need basis. Due to PJM's active use of development and test environments PJM reserves the right to create a specific MMU development or test environment if the need arises, in its sole discretion. If PJM determines that there is a need for such a MMU specific development and/or test environment, PJM will take reasonable efforts to create an environment that is the functional equivalent of PJM's development and test environment. MMU's read and write access to these MMU specific development and test systems shall be via VPN over a dedicated fiber optic connection. In addition, PJM shall provide MMU with dedicated test and development environments as part of the Data Exchange System, for purposes of developing and testing code used to populate the Data Exchange System.

PJM and MMU will cooperate not to cause any negative performance impacts on PJM's development and test systems resulting from MMU's access to or use of these systems, and to prevent access to such systems by non-MMU employees. In the event that MMU's access or use of these systems cause levels of performance degradation that are unacceptable to PJM,

PJM will contact MMU to attempt to resolve the issue. For purposes of this SLA, negative performance impact is defined as a single Oracle call taking more than 5 minutes of CPU time. In such case, the MMU user will receive an Oracle error message stating that the query exceeds the allowed utilization. PJM reserves the right to terminate any session that results in a negative performance impact on the performance of a test or development system. When possible, PJM will communicate with MMU before terminating sessions and will work with MMU to schedule a time to re-establish sessions. Notwithstanding the foregoing, PJM reserves the right to terminate any session without notice to MMU in an emergency situation or for security reasons. In such a case, PJM will explain in writing to MMU why the session was terminated within one (1) business day from the date the session was terminated.

13. Incident Management

If an issue occurs MMU will contact PJM's Support Center and a ticket will be opened. PJM's Support Center will initiate problem resolution, and depending on the severity level (as described below), and if needed, contact a member of IT management. The Support Center will remain the point of contact and will take the appropriate action to escalate the ticket depending on severity level.

14. Problem Management

All tickets, regardless of severity, will be documented and tracked through resolution by PJM's Support Center.

15. Change Management; Enhancements and Upgrades

If MMU determines that it has the need for additional data, additional access or a change to the systems from what is specifically delineated in this SLA, MMU will provide detailed requirements to the PJM Liaison defined in Attachment M or such other representative appointed by PJM (both to be referred to herein as "PJM Liaison"), for the new data or system information that is now needed as part of the data exchange. The MMU will be responsible for providing Statistical Analysis Software ("SAS") code and Oracle Data Definition Language ("DDL") that will extract the needed data and load it into the Data Exchange System. PJM will be responsible for implementing changes to the Data Exchange System and placing the MMU code into production pursuant to the change management process set forth in Appendix D hereof. PJM will act as the tester and release coordinator for any change.

PJM shall take all reasonable steps to continue providing full data access during the transition to PJM system changes such as MSET (Settlements System) redesign and AC². PJM shall be responsible for providing full data access upon the implementation of PJM system changes such as MSET (Settlements System) redesign and AC². PJM will be responsible for keeping MMU fully informed of the changes required in order to ensure full access after the implementation of such system changes. MMU shall be responsible for designing and implementing extract and load (ETL) processes.

In the event that the MMU is unable to provide the code to extract and load the data to the Data Exchange System PJM will be available to provide this service. Any such request for the extraction and loading of additional data must be approved by PJM and MMU in writing and be signed by a PJM and MMU representative having authority to approve the request, and must include MMU's agreement to pay for the associated costs at PJM's internal project labor rate used in its own project and support accounting as listed in Appendix F as updated and agreed to by the Parties.

For any such approved data ETLs, Table 1 provides the timelines for coordination.

Table 1 - Timelines for Coordination

DATA EFFORT	PROVIDE ACKNOWLEDGEMENT TO MMU/PJM	STATUS UPDATES	COMPLETION TIMEFRAME
Data easily retrieved or available in PJM's or MMU's systems	Within 7 business days	Status updates provided daily at close of business	Completion timeframes will be mutually agreed upon by PJM and MMU
Data has to be transformed or does not exist	Within 7 business days	Status updates provided weekly	Completion timeframes will be mutually agreed upon by PJM and MMU

If PJM requests additional data from what is specifically delineated in this SLA, PJM will provide a detailed description of the data requested. Any request for additional data must be approved by PJM and MMU in writing and be signed by a PJM and MMU representative having authority to approve the request, and must include PJM's agreement to pay for any costs associated therewith.

If MMU requests an upgrade or enhancement to be made to the Data Exchange System, it shall submit any such request in writing to the PJM Liaison. Within 7 days of receipt of any such request, PJM shall provide MMU with an estimate of the cost to put the requested upgrade or enhancement into operation. After receipt of the estimate, MMU shall advise PJM in writing whether it wants to implement the enhancement or upgrade. Any such upgrades or enhancements shall be at MMU's expense unless PJM otherwise agrees to bear the expense.

If PJM desires to implement an upgrade or enhancement to the Data Exchange System or to its computer systems that was not requested by MMU, or if PJM's business drives the need for a change to the Data Exchange System, or if such enhancements or upgrades are required in order to provide the level of support required under this agreement, the making of the upgrades or enhancements shall be at PJM's expense.

When revisions of PJM's computer systems are necessary as part of PJM's normal business (for example the addition of the loss component for LMP), PJM will use reasonable efforts to provide MMU notice of a planned system revision at least thirty (30) days prior to any revision to the data exchange format(s). There may be times when PJM determines, in its sole discretion, that a data exchange format needs to be modified in an emergency situation. In such case, PJM will provide notice immediately to MMU and will follow its change management process as set forth in Appendix D.

When revisions of MMU computer systems are necessary as part of the MMU's normal business, MMU will use reasonable efforts to provide PJM notice of a planned system revision that affects the transfer of data to PJM at least (30) days prior to any revision to the data exchange format(s). There may be times when MMU determines, in its sole discretion, that a data exchange format needs to be modified in an emergency situation or on an expedited basis. In such case, MMU will follow its change management process as set forth in Appendix D.

16. Service Levels

All issues reported to PJM by MMU will be ticketed and assigned the appropriate severity level as described below. Such assignment will be as delineated in Section 17 of this SLA.

- SEV1 - System or critical function down and not available and no work around.
- Multiple reports of a production system not available without a work around.
- SEV2 - System available, non-critical function unavailable and no work around.
- Multiple reports of a non-critical function unavailable with no work around.
 - A problem that is degrading the performance and reliability of the system but functions are still operational.
 - If the problem is not addressed it could escalate to a SEV1.
- SEV3 - System available, some functionality unavailable with a work around.
- A problem reported impacts one or more users but does not result in a stoppage of work.
- SEV4 – Inquiry, access request, or other support request.

All issues regarding data transfers from MMU to PJM, reported by PJM to MMU, will be addressed by the MMU as soon as reasonably practical.

17. Target Time to Respond, Repair, Resolve (“TTR”)

At the time MMU makes a repair request to PJM, PJM shall determine the severity level of any such repair as set forth in Section 16. If MMU disagrees with the assigned level of severity, MMU shall have the option to request that PJM elevate a repair request to a higher level of severity. MMU will develop reasonable protocols to address TTR definitions and will communicate them to PJM.

Table 2 - Target Time to Respond, Repair, Resolve by Severity Level

SEVERITY LEVEL	PROVIDE ACKNOWLEDGEMENT TO MMU/PJM	STATUS UPDATES	RESOLUTION
Level 1	Within 30 minutes of reported issue to the PJM Support Center/MMU Manager, IT during normal support hours or by 9:00 a.m. the next day.	Every 2 hours while the problem exists, during all hours if reasonably practical. When it spans a day, no later than 9:00 a.m. each morning the problem exists.	Appropriate PJM, MMU and vendor resources committed to meet the critical deadline. Commitment is until problem resolution unless the Parties mutually agree to another timeframe.
Level 2	Within 30 minutes of reported issue to the PJM Support Center/MMU Manager, IT during normal support hours or by 9:00 a.m. the next day.	Every 4 hours during normal business hours. When it spans a day, no later than 9:00 a.m. each morning the problem exists.	Appropriate PJM, MMU, and Vendor resources are committed until problem is resolved within defined support hours unless the Parties mutually agree to another timeframe. Target a 24 hour turnaround time.
Level 3	Within 2 hours of the reported issue to the PJM Support Center/MMU Manager, IT during normal support hours or by 9:00 a.m. the next day.	Every 4 hours during normal business hours. When it spans a day, no later than 9:00 a.m. each morning the problem exists.	Appropriate PJM, MMU, and Vendor resources are committed until problem is resolved within defined support hours unless the Parties mutually agree to another timeframe. Target a 48 hour turn around time.
Level 4	Within 8 hours of the reported issue to the PJM Support Center/MMU Manager, IT during normal support hours or by 9:00 a.m. the next day.	First report will be delivered within 2 working days. Subsequent reports based on timeframe negotiated during first report, but no less than once a week.	Resources assigned as available with a goal of problem resolution within 5 working days.

18. Resolution Escalation

The TTR will be in accordance with the severity levels. If for some reason PJM can not meet the severity level turnaround time, then MMU will be notified and the escalation procedure in Table 3 will be utilized:

Table 3 - Escalation Notification

Elapsed Time	Sev1	Sev2	Sev3	Sev4
Immediate	PJM IT Manager; PJM Liaison; MMU Manager, IT	PJM IT Manager; PJM Liaison; MMU Manager, IT	PJM IT Staff; PJM Liaison; MMU Manager, IT	PJM IT Staff; PJM Liaison; MMU Manager, IT
2 hours	PJM GM IT Integration; PJM Liaison; MMU Manager, IT	PJM GM IT Integration; PJM Liaison; MMU Manager, IT	PJM IT Manager; PJM Liaison; MMU Manager, IT	PJM IT Manager; PJM Liaison; MMU Manager, IT
4 hours	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT	PJM GM IT Integration; PJM Liaison; MMU Manager, IT	PJM IT Manager; PJM Liaison; MMU Manager, IT	PJM IT Manager; PJM Liaison; MMU Manager, IT
8 hours	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT	PJM GM IT Integration; PJM Liaison; MMU Manager, IT	PJM GM IT Integration; PJM Liaison; MMU Manager, IT
24 hours	PJM Vice President; PJM Liaison; MMU Manager, IT	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT	PJM Executive Director of IT; PJM Liaison; MMU Manager, IT

19. Performance

The performance of the Data Exchange System is reliant on the speed of the link between PJM and MMU. A dedicated fiber optic connection and a dedicated back-up fiber optic connection will be provided to MMU, each having a speed of 1 Giga-bit per second. The performance of the dedicated fiber optic connection and dedicated back-up fiber optic connection will be reviewed on an annual basis to ensure that each is adequate for MMU to perform its obligations under Attachment M. PJM and MMU will meet at least annually, consistent with the timing of PJM's planning cycle, to review whether additional bandwidth is necessary in order to continue MMU data access at the performance levels specified in this SLA. PJM will provide increases in bandwidth, consistent with this planning process, at no cost to MMU, to continue performance at the levels specified in this SLA. If MMU desires improved performance or additional transfer capability, MMU will pay all costs for increasing the bandwidth, unless PJM otherwise agrees to bear the cost.

20. Data Transfer and Access

The data exchange contemplated under this SLA will allow for the unattended transfer of any electronic data format between MMU and PJM. PJM maintains processes to exchange files and data with MMU over a dedicated fiber optic connection. These files and data are either transformed and delivered or simply delivered to MMU, depending on the type of data. A detailed list of the data that will be transferred to MMU is documented in Appendix B. MMU shall also maintain processes to exchange files and data with PJM over a dedicated fiber optic connection.

Communications connectivity and security are provided for in the data exchange process. PJM supports and maintains secured servers and a database for providing files and data to MMU.

The Parties shall perform the transfer of files and data in accordance with specifications set forth herein and as otherwise agreed upon by the Parties and in writing signed by a PJM and MMU representative having authority to approve and agree to an amendment to this SLA.

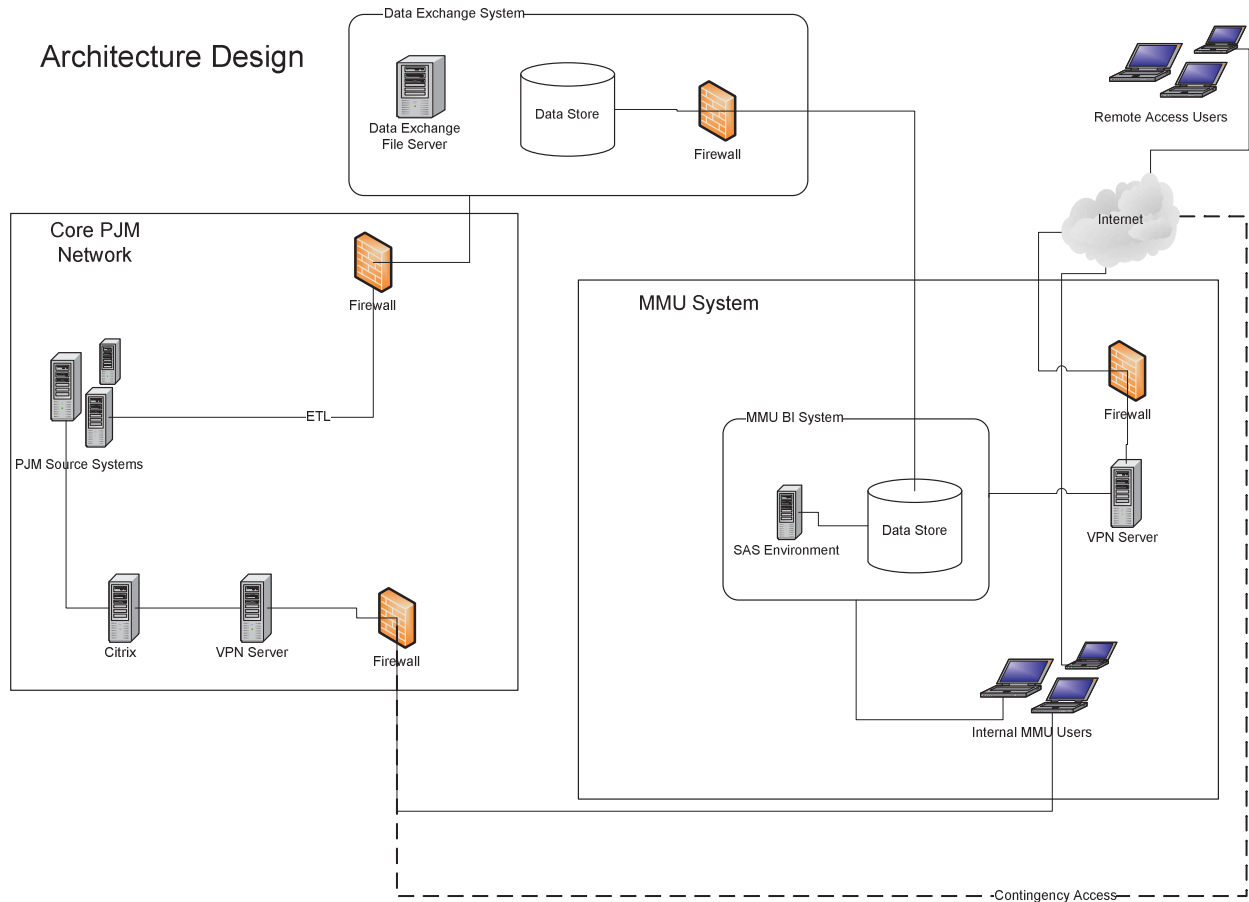
MMU will provide SAS extraction, transform and load (“ETL”) processes that will run in the PJM environment to transfer the data to the Data Exchange System. MMU will monitor and control the process execution through a control structure in the Data Exchange System.

Each Party must provide application and database servers required to complete the data exchange at their office locations. Each Party shall provide its own application support necessary to complete the data exchange. Each Party shall also be responsible for detecting delivery deficiencies that it encounters during the transfer of data from the other Party’s computer systems and for taking appropriate action, including notifying the other Party.

Upon notification of any problems with file or data transfer, each Party will take steps to resolve any problems with its systems as outlined in this SLA. The Parties are not responsible for the availability and reliability of the systems that will ultimately receive the files. However, each Party will work with the other Party and/or the other Party’s consultants, contractors and other agents to resolve file transfer problems. Each Party will maintain records of the file transfers, including the file name, size, date and time of the transfer, and status of the transfer.

The Data Exchange System is independent of the production system access which is described in the next section. The dedicated fiber optic connection between MMU and PJM is used for both types of access. A high level technical design is shown in Figure 1.

Figure 1 – PJM/MMU Architecture Design



21. Data Listing and System Access

The following is a description of the data that the MMU function currently retrieves from PJM and external sources. PJM shall continue to provide access to the same data to MMU for the duration of this SLA, as set forth herein. A detailed list of production, development and test system access is set forth in Appendix B. Each Party shall be responsible to obtain its own subscriptions for external data, each at its own expense.

Table 4 - MMU Data Retrieved from PJM Systems and External Sources

PJM Data Source	Source System	Target System	Frequency	Description
Market Settlements Information	MSETPRD	MSETARCP	Monthly	Billing quality financial data from selected tables that is older than the retention period defined by Market Settlements (12 to 18 months for most tables)
Market Settlements Information	MSETPRD	MMDSPRD	Daily for the last 45 days	Billing quality financial data from selected tables
Market Settlements Information	MSETPRD	MMDSPRD	Monthly	Billing quality load response data

Market Settlements Information	PJM.COM	MMDSPRD	Daily for the last 45 Days	Operating Reserves Deviation Charges
Market Settlements Information	Market Settlements Department	MMDSPRD	Quarterly	Station Service Rate
Markets Information	BIDPRD	MMDSPRD	Daily	Market Day Ahead Data
Markets Information	OPRPRD	MMDSPRD	Daily	Market Real-time and Dispatch data
Markets Information	BIDPRD	MMDSPRD	Daily	Market Unit and PNODE data with historical versioning
Markets Information	Markets Flat Files	MMDSPRD	Daily	LMP Component (CLMP), Shadow Market Price (SMP), Unit Participation Factor (UFP) and DFAX information Constraint and SMP data every 10 days
LPA Data	LPAPRD EMS	MMDSPRD	Daily	Real-time LMP data from LPAPRD and EMS flat files
FTR Data	EFTRPRD	MMDSPRD	Daily	FTR congestion data
RPM Data	EFTRPRD	MMDSPRD	Daily	RPM Capacity Data
Load Response	EFTRPRD	MSETARCP	Monthly	Load Response data from efrprd older than 1 month
EES Data	EESPRD	MMDSPRD	Daily	All transactions and audit table data
EES Data	EESPRD	MMDSPRD	Daily	Transaction and Settlement data with historical versioning to capture changes
Congestion Data	SRCM	MMDSPRD	Daily	Congestion Management (CM2) audit table data and flowgate hourly data
Outage Data	EDARTPRD	MMDSPRD	Daily	Outage data with historical versioning to capture changes
Outage Data	GADSPRD	MMDSPRD	Daily	Outage and Unit data with historical versioning to capture changes
Pool Tie Data	HISPRD	MMDSPRD	Daily	Pool Tie Data
Zonal Load		DWPRD	Daily	Zonal Loads
Geographical Information	Manual	DWPRD	Daily	Geographic longitudes and latitudes.
Weather	Flat Files	DWPRD	Daily	Weather Data
Fuel Pricing from PLATTS	Flat Files	MMDSPRD	Daily	Fuel Pricing Data
Evomarkets	Flat Files	MMDSPRD	Daily	Emissions Pricing Data from Evomarkets
Nuclear Fuel Pricing	Flat Files	MMDSPRD	Daily	Nuclear Fuel Pricing Data from

from UXC				UXC
Company Information	Flat Files	MMDSPRD	As Needed	Company Annual Report, Unit and other financial data from Hoovers, PowerDat, RDI, EIA and additional ad-hoc research sources Unit to company mapping maintained manually

PJM may make ad hoc requests for data from MMU as defined in the MMS Agreement. MMU will use its best efforts to provide such requested data with one business day of the request. If, despite its best efforts, MMU is unable to provide the requested data within one business day, it shall provide within one business day an explanation of the reason it cannot provide the data and inform PJM when MMU, using its best efforts, will be able to provide the data. The cost of providing such data will be borne by MMU up to 250 person hours after which MMU may charge PJM at the rates listed in Appendix F as updated and agreed to by the Parties. The Data Exchange System will be utilized to enable the transfer of the requested data from MMU to PJM.

PJM may make requests to MMU that additional data tables be provided to PJM as defined in the MMS Agreement. MMU will use its best efforts to respond to such requests recognizing that such changes must follow PJM's and MMU's change management procedures. MMU may charge PJM for the cost of providing such additional tables at the rates listed in Appendix F as updated and agreed to by the Parties.

In addition to responding to the foregoing data requests, the following is a general description of the data that PJM currently receives from the MMU function. MMU shall continue to provide the same data to PJM for the duration of this SLA, as set forth in Appendix E of this SLA.

Table 5 - MMU Data

MMU Data Source	Source System	Target System	Frequency	Description
eCart	MMU's Data Store	Data Exchange System	As updated in MMU database	Congestion Data, hourly data provided on a daily basis
Data Transowner	MMU's Data Store	Data Exchange System	As updated in MMU database	Generation Bids
Unit Participation Factors Aggregation	MMU's Data Store	Data Exchange System	As updated in MMU database	LMP calculation components, hourly data provided on a daily basis
Fuel Adjusted LMP	MMU's Data Store	Data Exchange System	As updated in MMU database	LMP data on an hourly basis provided daily
Estimated Cost Offers	MMU's Data Store	Data Exchange System	As updated in MMU database	Unit Cost information
Net Revenue	MMU's Data	Data Exchange	As updated in MMU	Revenue information

	Store	System	database	
Unit Ownership – MMU	MMU's Data Store	Data Exchange System	As updated in MMU database	Unit ownership information as updated or tracked by the MMU
State Information	MMU's Data Store	Data Exchange System	As updated in MMU database	State bus location information as tracked and updated by the MMU
RPM Avoidable Cost Rate Information	ACR database	Data Exchange System		Avoidable cost information as calculated by MMU
Operating Reserves	MMU's Data Store	Data Exchange System	As updated in MMU database	Operating Reserve Costs
Frequently Mitigated Units	MMU's Data Store	Data Exchange System	As updated in MMU database	FMU
FTR Forfeiture	MMU's Data Store	Data Exchange System	As updated in MMU database	FTR candidates and forfeitures

22. Capacity Management

The Data Exchange System will be sized to maintain one year's worth of PJM Markets data on a rolling daily basis. If MMU requests that PJM Markets data older than the one year be provided to MMU, PJM will review the request, the data requirements, determine if the data exists in PJM's system, and within seven (7) days will advise MMU of the number of person hours required to provide the data to MMU and any cost associated with such requests. PJM will allocate 500 Gbs of space for ad hoc data requests in its Data Exchange System.

23. Contacts and Notice

Each Party will provide to the other Party with contact lists containing relevant personnel to whom inquiries or problems relating to this SLA should be addressed.

Notice to any Party hereto shall be in writing and shall be deemed to be delivered on the earlier of: (a) the date of personal delivery, (b) if deposited in a United States Postal Service depository, postage prepaid, registered or certified mail, return receipt requested, or sent by express courier, in each case addressed to such party at the address indicated below (or at such other address as such party may have theretofore specified by written notice delivered in accordance herewith), upon delivery or refusal to accept delivery, or (c) if transmitted by facsimile or email, the date when sent and facsimile/email confirmation is received; provided that any facsimile or email communication shall be followed promptly by a hard copy original thereof by express courier or hand delivery:

If to MMU:	Monitoring Analytics, LLC P.O. Box 768 Southeastern, PA 19399-0768 Attn: Market Monitor
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If to PJM: PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497
Attn: President
Facsimile: (610) 666-4281

With a copy to: PJM Interconnection, L.L.C.
955 Jefferson Avenue
Valley Forge Corporate Center
Norristown, PA 19403-2497
Attn: General Counsel
Facsimile: (610) 666-4281

24. Service Measurement Reporting

PJM will provide a monthly report to MMU of the open issues regarding the Data Exchange System, PJM's data requests to MMU, reported problems on MMU's system or MMU's access to PJM's production, test or development systems, the severity level and the TTR. This monthly report will also detail the performance of the dedicated fiber optic connection that provides MMU's direct access to PJM's systems. This report also will include the number of hours of technical and maintenance support set forth in Section 7 of this SLA provided by PJM to MMU.

25. Configuration Management

PJM will collaborate with MMU to develop a design document for the Data Exchange System that will provide technical implementation details. These details will provide necessary technical specifications and reference other technical documentation detailing how to connect to PJM's system, software version, data definitions, directory structure, and any other necessary information required by MMU to successfully integrate with the Data Exchange System. This design document will be updated to capture on-going maintenance items and approved requests by MMU for additional data. PJM will provide notice as required herein when outages are required to change, modify or upgrade the Data Exchange System.

MMU will provide a design document that will provide technical implementation details required by PJM to receive data from Data Exchange System. This design document will be updated to capture approved requests by PJM for additional data.

26. Crisis Management

In the event of an emergency such as a computer system failure, a potential breach of system security, a computer virus outbreak or another event that might force the services to be shutdown, each Party will notify the other Party as soon as possible. Within 24 hours of the service becoming unavailable due to such an event, the Party having the computer system problem will provide to the other Party an estimated time for service restoration and additional information, if available, regarding the cause of the event. The Party having the computer system problem will, in consultation with the other Party, develop a plan to provide any data that was not provided due to the system failure.

27. Service Continuity and Security

In order to ensure the protection of PJM's and its members' and market participants' market sensitive information, proprietary information, trade secrets and/or other confidential data, PJM requires that MMU implement and retain specific, detailed security controls. MMU must employ these security controls to ensure the physical security of such information and to restrict access to any such information only to individuals who have been specifically authorized by MMU and/or PJM to have access to such information. MMU shall be required to create and have in place, at a minimum, security policies and measures in place that address:

- Physical security access requirements, policies and procedures that are to be followed by all persons accessing MMU's facilities, including a requirement that visitors be escorted by badged personnel at all times while on MMU's premises.
- Requirement for physical security access control card key and video surveillance systems to control and produce data used to monitor access on MMU's premises.
- Issuance of card key access badges to individuals based on their job responsibility, specifically restricting access to MMU's computer room.
- Requirement that card key access badges must be displayed on all individuals, at all times, while on MMU's premises.
- Badge access to MMU's facilities only being made available on a time sensitive basis depending upon job responsibility.
- Deactivation of all MMU and PJM access badges immediately upon notification that the individual to whom the badge was issued no longer requires access to MMU's and/or PJM's facilities.
- Requirement that system "access denied" attempts, unauthorized access, and attempts to hack into or breach MMU's installed security features, must be recorded by MMU, shall be reviewed by MMU and investigated if deemed suspicious, and if deemed suspicious shall be reported to PJM immediately upon their discovery.

In addition, MMU and its employees, vendors, consultants and agents will be required to comply with PJM's Vendor Review Policy, Vendor Review Process – Vendor Compliance Standard, the consultant screening process contained in PJM's Employment Screening Policy and Employment Screening Procedure to receive physical or electronic access to PJM information, and the PJM Physical Security – Site Access Procedure when requiring access to the PJM campus. Such policy, procedure and standard may be amended from time to time and PJM will provide notice and description of such changes, including electronic and paper copies of such initial documents and any modified documents. PJM shall give MMU prior notice of any proposed change to any of the above-referenced security policies, standards and procedures, and shall meet with MMU to discuss how the proposed change will affect MMU should MMU request such a meeting.

MMU will provide access to its offices for any security audits that PJM desires to perform, which security audits shall be conducted to ensure that PJM's security requirements are met. MMU shall cooperate with PJM to assist PJM or its designee in obtaining access to the offices of any of MMU's consultants, contractors or other agents for the purpose of conducting a security audit to ensure that PJM's security requirements are being met. PJM shall provide at least twenty four (24) hours prior notice to MMU of any such security audit. MMU acknowledges and

understands that PJM shall not give MMU access to any of its data or systems until such time as PJM has had an opportunity to conduct an initial security review at MMU's site and of MMU's personnel to ensure that the security requirements are adequately being met. During the transition, no additional background or security checks will be required for current MMU employees who are in compliance with PJM's security policies. PJM may also require additional security audits to be conducted from time to time to ensure compliance with its minimum security requirements, including but not limited to a situation in which MMU relocates its offices.

PJM is responsible for maintaining data file security only while such files are under PJM's direct control. PJM shall notify MMU of any security issues related to the Data Exchange System or are otherwise relevant to MMU/PJM security issues.

28. Confidentiality

The data provided to MMU by PJM as delineated in this SLA includes market sensitive and confidential information. MMU and its employees and contractors shall comply with the confidentiality provisions set forth in Attachment M and the Amended and Restated PJM Operating Agreement of PJM Interconnection, L.L.C. ("PJM Operating Agreement").

The data provided to PJM by MMU as delineated in this SLA may be market sensitive and confidential. PJM employees obtaining such data will be required to sign both data confidentiality and non-disclosure agreements, provided by MMU to PJM, acknowledging the confidential nature of said information and agreeing to maintain the confidentiality of that information. PJM and its employees and contractors shall comply with the confidentiality provisions set forth in the PJM Operating Agreement.

29. Access Rights and Changes

MMU shall provide a list of valid users and their contact information to PJM. PJM will follow its internal access authorization process to create accounts for the employees of MMU. MMU is responsible for notifying PJM of any required account changes as outlined in the Technical Support section of this SLA. In the case of account terminations, PJM will act as quickly as possible to terminate user access to its systems after having received notice from MMU. Changes in MMU employees shall not be considered to be a change in data access under this SLA.

MMU shall also provide to PJM a list of its employees, consultants and contractors who shall need to have access to PJM's campus. PJM shall issue security badges to said employees, consultants and contractors, and shall provide physical access to PJM's campus between 0600 and 1800 hours. If MMU employees need physical access to PJM's campus during other hours, PJM will provide such access on a case by case basis.

30. Disaster Situations

In the event of a significant event affecting the operations of the PJM Control Center ("BCP event"), PJM's primary focus is to maintain reliability of the electric power system. PJM will restore systems according to the priority assigned in PJM's Business Continuity Plan(s) ("BCP"). Such BCP may be amended from time to time and PJM will provide notice and description of such changes, including electronic and paper copies of such initial documents and any modified documents. PJM will use reasonable efforts to restore the functionality of the Data Exchange System within sixty (60) days of the BCP event. Should this restoration process

be expected to take longer than sixty (60) days, PJM shall give MMU notice thereof, which notice must include an expected timeframe for the completion of the restoration of the Data Exchange System. PJM shall provide MMU with VPN read only access to PJM's production systems until such time as PJM has restored the Data Exchange System.

31. Cost for Provision of Data

To the extent that MMU is responsible for the payment of PJM's costs and expenses associated with the provision of access to PJM's data, information and systems to MMU, the costs and expenses shall be charged to MMU at PJM's actual cost, which for consultants and contractors shall be as invoiced and for work performed by PJM employees shall be per PJM's internal project labor rates.

MMU shall provide PJM the MMU data defined in Appendix E without charge. For any requested additional data, MMU shall have the option to bill PJM for its costs and expenses related to such request. MMU shall give PJM a written estimate of the cost to provide the data requested by PJM prior to MMU incurring any expenses associated therewith for which it will seek compensation from PJM. MMU may charge PJM for the cost of providing such additional tables at the rates listed in Appendix F as updated and agreed to by the Parties.

32. Access for Independent Auditors

MMU shall provide PJM's independent auditor(s) with access to MMU's employees, consultants, contractors and agents, as well as to MMU's relevant data and information pertaining to any work product that MMU provides to PJM in connection with the settlement and billing of PJM Members, for the purpose of the auditor's review and examination of PJM's billing processes for PJM's SAS 70 Type 2 audit, such as the revenue requirement calculation in the black start market and the development of Cost of New Entry (CONE) and the Energy & Ancillary Services Revenue Offset (E&AS) as it relates to the RPM market. MMU shall cooperate with PJM to provide any additional access to PJM's independent auditors should there be a change in the name, number or type of billing processes for which MMU's data and information is needed.

33. Disputes

Any and all disputes under this SLA shall be determined as set forth in the dispute resolution provisions of the MMS Agreement.

34. Historical Records

PJM shall effectuate a one time transfer to MMU of a copy of the following, all as of the day prior to the Commencement Date of this SLA: (a) all email of MMU employees; (b) the documents of current or former MMU employees and the documents of current or former MMU contractors located in the PowerDOCS system; (c) documents, data and files located on the hard drives of MMU employees' computers; (d) documents, data and files on servers shared by PJM and MMU; (e) selected portions of personnel records of MMU employees; and, (f) all tables and schema in MMDSRPD. The transfer process shall be developed by PJM and MMU together to ensure that data is transferred to the appropriate location in MMU systems and that appropriate confidentiality is ensured. MMU will continue to have access to the PowerDOCS system, as defined by PJM.

35. Entire Agreement

This SLA constitutes the entire agreement of the Parties with regard to the subject matter hereof, and replaces and supersedes all other agreements or understandings, whether written or oral. Notwithstanding the foregoing, it is the express understanding of the Parties that nothing in this SLA is intended to change or amend any terms or conditions of the MMS Agreement. Notwithstanding the foregoing, in the event the Parties mutually agree, or there is a judicial or regulatory finding, that there is a conflict between any provision of this SLA and the terms of the MMS Agreement, the MMS Agreement shall be controlling.

IN WITNESS WHEREOF, the parties have caused this SLA to be executed by their respective authorized officials, as of the Effective Date, first set forth above.

PJM Interconnection, L.L.C.

By: Karl V. Pirramano Interim 12-18-2007
Name Title Date

Printed name of signer: KARL V. PIRRAMANO

Monitoring Analytics, LLC

By: _____
Name Title Date

Printed name of signer: _____

35. Entire Agreement

This SLA constitutes the entire agreement of the Parties with regard to the subject matter hereof, and replaces and supersedes all other agreements or understandings, whether written or oral. Notwithstanding the foregoing, it is the express understanding of the Parties that nothing in this SLA is intended to change or amend any terms or conditions of the MMS Agreement. Notwithstanding the foregoing, in the event the Parties mutually agree, or there is a judicial or regulatory finding, that there is a conflict between any provision of this SLA and the terms of the MMS Agreement, the MMS Agreement shall be controlling.

IN WITNESS WHEREOF, the parties have caused this SLA to be executed by their respective authorized officials, as of the Effective Date, first set forth above.

PJM Interconnection, L.L.C.

By: _____
Name Title Date

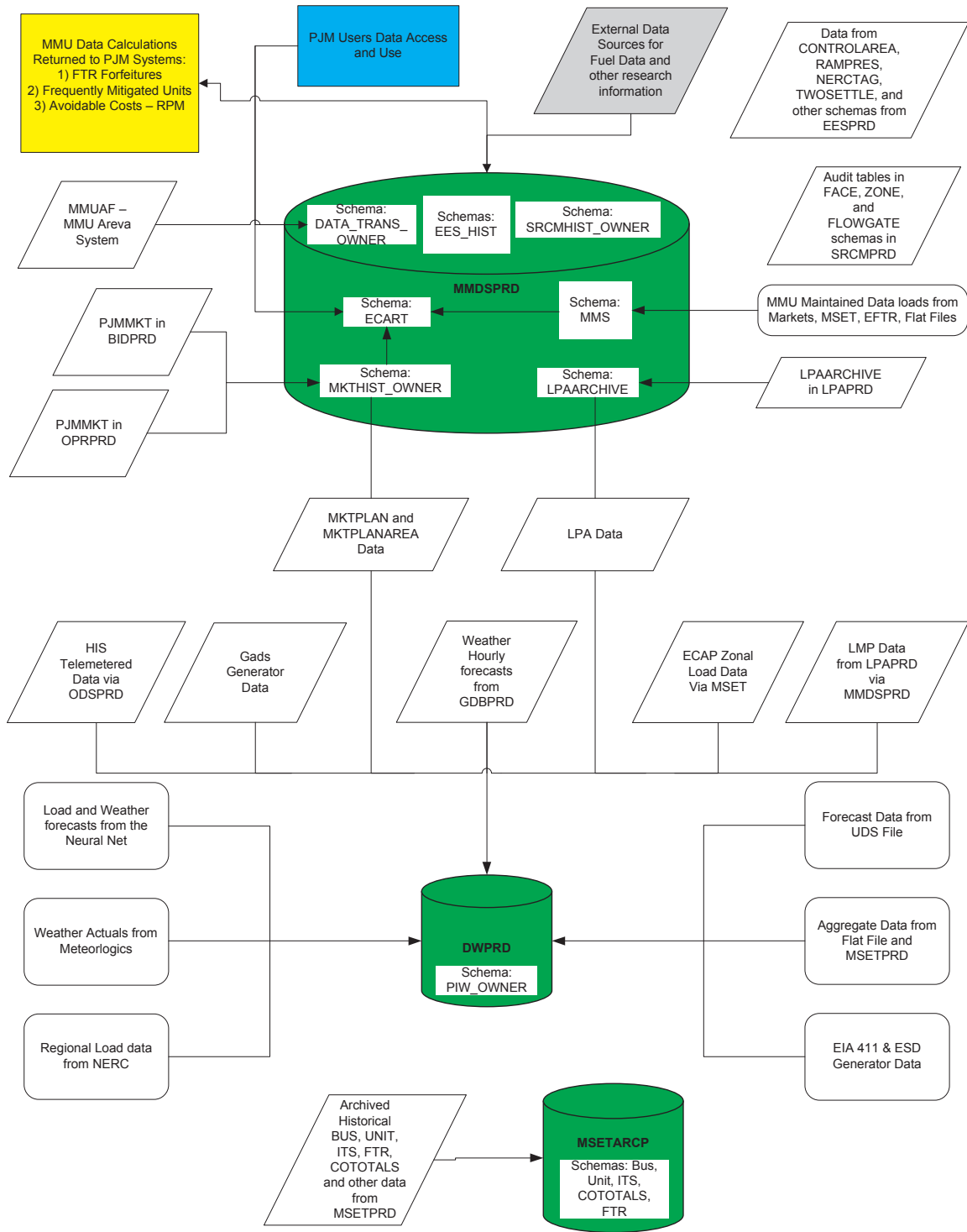
Printed name of signer: _____

Monitoring Analytics, LLC

By: Joseph E. Bowring MARKET MONITOR 12-18-07
Name Title Date

Printed name of signer: JOSEPH E. BOWRING

Appendix A: Data Flow Diagram. Current Architecture



Appendix B: End User Production Access

This access is provided to the internal Market Monitoring Unit.

Database Name	User Name	Role Granted	Data Description
BIDPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	eMarket Production Database This grants access to pnodes, units, bid data, dispatcher management tool data, market operator data, audit data, Areva calculation data, constraint information, day ahead Imps, day ahead transmission outages
BIDTST	BELLF BLAIR BOWRIJ GOCKLB KRAWIE MILLIM ONEILJ SCHEIP SCHEIP	JF_MARKET_MONITORING MILLIM – JF_TESTER SCHEIP – MKT_PJMMKT_DMT_READONLY	eMarket Test Database
CUSPG	BAZARK BELLF BLAIR BOWRIJ ENGLEA HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ ZHANGW	JF_MARKET_MONITORING	eSchedules Production Database This grants users access to Market settlement reports, transaction data No Development or Test Database Access
ECAPPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA	JF_MARKET_MONITORING	eCapacity Production Database This grants users read only access to pre-RPM capacity market data, capacity obligations, alm

	GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW		No Development or Test Database Access
EDARTPG	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	eDart Production Database Dispatcher tool information, demand side response data, emergency procedure notifications
EDARTTG	BELLF MILLIM ONEILJ	JF_MARKET_MONITORING MILLIM – JF_TESTER, EAST	eDart test database
EDARTDG	BELLF ONEILJ	JF_MARKET_MONITORING	eDart development database
EDATAPRD	BELLF BLAIR THOMPM WEBSTJ	JF_MARKET_MONITORING	eData Production Database LMPs, Loads, Tie Schedules, Dispatch Rates, ACE, Weather Data
EDATATG	MILLIM	JF_TESTER	eData test database
EESPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM ONEILJ SCHEIP	JF_MARKET_MONITORING	EES Production Database Energy transaction, OASIS transactions, Ramp, NERC Tag data

	YOUX		
EESTG	MILLIM	JF_TESTER	EES test database
EFTRPRD	BAZARK BELLF BLAIR BOWRIJ ENGLEA FUHRMC GOCKLB HAASH KRAWIE LEEL MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW		eFTR Production Database FTR bids and auction results, RPM data, Load Response data No Development or Test Database Access
EMETPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	eMeter Production Database Hourly meter data No Development or Test Database Access
EMPPRD	TBD	JF_MARKET_MONITORING	EMS Primitive Database: Generation Model data No Development or Test Database Access
EORGPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA FUHRMC GOCKLB HAASH	JF_MARKET_MONITORING	eSuite Authentication and Organization information Company Information No Development or Test Database Access

	KRAWIE LEEL MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW		
FUELPRD	BELLF KRAWIE MILLIM SMITHC YOUX	JF_MARKET_MONITORING	eFuel Production Database Generator Fuel Data
FUELTST	BELLF KRAWIE MILLIM MILLIM SMITHC YOUX	JF_ACR_READ_WRITE	eFuel test database
GADSPRD	BELLF BLAIR KRAWIE MILLIM	JF_MARKET_MONITORING	eGads Production Database Generator Outage Data No Development or Test Database Access
GDBPRD	TBD	JF_MARKET_MONITORING	EMS Generator Database: Real-time generator information No Development or Test Database Access
HISPRD	TBD	JF_MARKET_MONITORING	EMS Historical Database: Access to ICCP data No Development or Test Database Access
LPAPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA FUHRMC GOCKLB HAASH KRAWIE LEEL	JF_MARKET_MONITORING	LPA Database LMP results and LPA inputs

	MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW		
LPATST	BOWRIJ GOCKLB KRAWIE MILLIM	JF_MARKET_MONITORING MILLIM – JF_MARKETS_AND_OPERATIONS	LPA Test Database
LPADDEV	MILLIM	JF_MARKETS_AND_OPERATIONS	LPA Development Database
MSETPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA FUHRMC GOCKLB HAASH KRAWIE LEEL MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	Market Settlements Production Data
MSETTST	BAZARK BELLF BLAIR BOWRIJ ENGLEA GOCKLB HAASH KRAWIE MILLIM ONEILJ SCHEIP	JF_MARKET_MONITORING	Market Settlements Test Database
MSETDEV	BELLF BLAIR BOWRIJ CAWLES ENGLEA HAASH KRAWIE NIUH ONEILJ YOUX	JF_MARKET_MONITORING	Market Settlements Development Database
MSGPPRD	TBD	JF_MARKET_MONITORING	Emergency Procedures

			Database, Dispatcher logging application (Smart Logs) No Development or Test Database Access
MSRSPRD	BAZARK BELLF BLAIR ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	New Market Settlements Reporting System. RPM Reports
MSRSTST	BAZARK BELLF BLAIR ENGLEA GOCKLB HAASH KRAWIE MILLIM ONEILJ SCHEIP	JF_MARKET_MONITORING	Market Settlements Reporting System Test Database
MSTPREML	BELLF BOWRIJ ENGLEA	JF_MARKET_MONITORING	No Development or Test Database Access
NEWPRD1	BELLF BLAIR ENGLEA KRAWIE ONEILJ SCHEIP	JF_MARKET_MONITORING	Organization Information and historical constraint and transaction data No Development or Test Database Access
OASISPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM	JF_MARKET_MONITORING	OASIS production database. Transmission reservations, ATC No Development or Test Database Access

	NIUH ONEILJ SCHEIP YOUX ZHANGW		
ODMPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP YOUX ZHANGW	JF_MARKET_MONITORING	No Development or Test Database Access
ODSPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB KRAWIE MILLIM NIUH ONEILJ THOMPM WEBSTJ ZHANGW	JF_MARKET_MONITORING	Data Mart No Development or Test Database Access
OPDMPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA GOCKLB HAASH KRAWIE MILLIM NIUH ONEILJ SCHEIP ZHANGW	JF_MARKET_MONITORING	Operations Data store Summary data from the HISPRD database
OPDMTST	BELLF BLAIR BOWRIJ ENGLEA ONEILJ	JF_MARKET_MONITORING	Test Database

OPDMDEV	ONEILJ	OATI_HIST_OWNER_READ_ONLY	Development Database
OPRPPRD	BAZARK BELLF BOWRIJ ENGLEA KRAWIE ONEILJ SCHEIP	JF_MARKET_MONITORING	
OPRPRD	BAZARK BELLF BLAIR BOWRIJ CAWLES ENGLEA FUHRMC GOCKLB HAASH KRAWIE LEEL MILLIM NIUH ONEILJ SCHEIP THOMPM WEBSTJ YOUX ZHANGW	JF_MARKET_MONITORING	UDS Production Database
OPRTST	BELLF BLAIR BOWRIJ GOCKLB KRAWIE MILLIM ONEILJ SCHEIP	JF_MARKET_MONITORING MILLIM – JF_TESTER SCHEIP – MKT_PJMMKT_DMT_READONLY	Test database for UDS information
SRCMPRD	BLAIR KRAWIE MILLIM ONEILJ	JF_MARKET_MONITORING	Super Regional Congestion Management Database ATC and Flowgate information
SRCMTST	MILLIM	JF_TESTER	Test database

Appendix C: Detailed table catalogue

This catalogue represents the current Market Monitoring data store database, as of the Effective Date of this SLA. It serves as the historical repository for Markets data as well as other PJM operational information. PJM will provide any updates to this catalogue in the design document described in Section 25 of this SLA.

MMDS – MMS Schema

TABLE_NAME
BID_MKTPNODEDEF
BID_MKTPNODEPNODE
BID_MKTUNIT
EDART_GENOUT_TICKET
EDART_REVISION
EES_MKTTRANSACTION
EES_MKTTRANSHOURLY_EXPORT
EES_SETTLE_ENERGY_SUM
EFTR_CUSTOMER
EFTR_CUSTOMER_CONTRACT_INFO
EFTR_CUSTOMER_REDUCTION
EFTR_FTRFTR
EFTR_PRICING_ZONE
EFTR_PRICING_ZONE_EDC_MAPPING
EFTR_REGISTRATION
EFTR_RPMAUCTIONOFFERCAPACITY
EFTR_RPMCAPACITYMOD
EFTR_RPMCASE
EFTR_RPMDEMANDRESOURCEMOD
EFTR_RPMMARKET
EFTR_RPMMARKETRESOURCE
EFTR_RPMORGDEF
EFTR_RPMORGRESOURCEFRR
EFTR_RPMORGRESOURCEPOSITION
EFTR_RPMRESOURCE
EFTR_RPMRESOURCEDEF
EFTR_RPMSOLUTIONRESOURCE
EFTR_RPMUNITSPECIFICCAPACITY
GADS_CARD95
GADS_UNITNAMES
MKT_PNODE_AGGREGATE
MSET_ACCOUNT_RATE
MSET_AGGREGATE

MSET_AGGREGATE_MEMBER
MSET_BUS
MSET_BUS_INTEREST
MSET_BUS_UNIT_MAPPING
MSET_CA_TOTAL
MSET_CONTRACT_BUS
MSET_CONTRACT_INTERFACE
MSET_CONTRACT_XMISSION_SERVICE
MSET_DAILY_BILL_DETERMINANT
MSET_EMS_NAME
MSET_ENERGY_PRICE
MSET_FTR_AUCTION
MSET_FTR_DAILY
MSET_FTR_SUMMARY
MSET_GENERATOR
MSET_HOURLY_CONGESTION
MSET_HOURLY_CONTRACT_XACTION
MSET_INTERFACE
MSET_LMP
MSET_LOAD_RESPONSE
MSET_LOAD_RESPONSE_DAILY
MSET_LOAD_RESPONSE_HOURLY
MSET_LOAD_RESPONSE_MONTHLY
MSET_LOAD_RESP_REGISTRATION
MSET_METER_ACCOUNT
MSET_MONTH_MET_CORRECT
MSET_MSORG_RELATIONSHIP
MSET_OPERATE_RESERV
MSET_ORGANIZATION
MSET_ORG_HRLY_ADJUSTED_LOAD
MSET_PART_XACT_INTEREST_ORGS
MSET_PJM_LMP_TOTAL
MSET_PT_PT_XMISSION
MSET_REAL_TIME
MSET_REGULATION
MSET_SETTLEMENT
MSET_SPIN_DSR_BID_DAILY
MSET_SPIN_DSR_HOURLY
MSET_SPIN_RESERVE
MSET_SPOT_MARKET
MSET_T1_HOURLY
MSET_TRANS_CONTRACT
MSET_TS_TRANSACTION
MSET_UNIT
MSET_UNIT_DAILY

MSET_UNIT_HOURLY
MSET_UNIT_SCHEDULE_DAILY
MSET_UNIT_SCHEDULE_HOURLY
MSET_UNIT_SPIN_HOURLY
MSET_XACTION_OPER_RESERVES
MSET_ZONE_HOURLY
POOL_TIE
POOL_TIE_VALUE

Data Files from PJM

Data	Description
<p>Markets Flat Files: LPA Output - Original and Rerun Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\lmp:</p> <p>debuglpa_yyyymmdd_hh_xx debugpre_yyyymmdd_hh_xx drate_yyyymmdd_hh_xx gen_offer_yyyymmdd_hh_xx lct_yyyymmdd_hh_xx lmp_components_yyyymmdd_hh_xx lmp_config_yyyymmdd_hh_xx lpa_agg_prices_yyyymmdd_hh_xx lpa_ctg_input_yyyymmdd_hh_xx lpa_ctg_post_yyyymmdd_hh_xx lpa_data_yyyymmdd_hh_xx lpa_pb_results_yyyymmdd_hh_xx lpa_pre.output_yyyymmdd_hh_xx lpa_pre_data_yyyymmdd_hh_xx lpa_results_yyyymmdd_hh_xx lsteam_yyyymmdd_hh_xx pool_trans_yyyymmdd_hh_xx se_to_lpp_yyyymmdd_hh_xx uds_gen_yyyymmdd_hh_xx xferlmt_yyyymmdd_hh_xx</p> <p>where yyyy is the year, mm is the month, dd is the day of the month, hh is the hour, and xx is the interval within the hour.</p> <p>There will be 288 original files of each file type for each day. The number of rerun files varies by the number of rerun intervals.</p>
<p>Market Flat Files: Day Ahead CLMP and DFAX Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\MMAF\pDFAXCalculator:</p> <p>MSS_<case_id>_0X_dd-mon- yyyy_hh.MMPNODESENS</p> <p>where case_id is the Markets case identifier, dd is the day of the month, mon is the month, yyyy is the year, and hh is the hour.</p>

	<p>There will be 24 files each day.</p>
<p>Market Flat Files: Day Ahead UPF Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\MMAF\UPF\Calculator:</p> <p>MSS_<case_id>_dd-mon-yyyy_hh.MMUPF</p> <p>where case_id is the Markets case identifier, dd is the day of the month, mon is the month, yyyy is the year, and hh is the hour.</p> <p>There will be 24 files each day.</p>
<p>Markets Flat Files: BIDPRD Savecase Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\MO\bid_production:</p> <p>MSS_<case_id>_0X.ZIP</p> <p>where case_id is the Markets case identifier.</p> <p>There may be several cases per hour per day. Each hour has one approved case.</p>
<p>Markets Flat Files: SPREGO Savecase Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\MO\opr_production\spr:</p> <p>MSS_<case_id>_0X.ZIP</p> <p>where case_id is the Markets case identifier.</p> <p>There may be several cases per hour per day. Each hour has one approved case.</p>
<p>Markets Flat Files: UDS Savecase Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\MO\opr_production\uds:</p> <p>MSS_<case_id>_0X.ZIP</p> <p>where case_id is the Markets case identifier.</p> <p>There may be several cases per hour per day. Each hour has one approved case.</p>
<p>Markets Flat Files: Real Time UPF Files</p>	<p>The files are currently written to subdirectories in \\mmu01vwp\UPF:</p> <p>Imp_upf_yyyymmdd_hh_xx</p> <p>where yyyy is the year, mm is the month, dd is the day of the month, hh is the hour, and xx is the interval within the hour.</p> <p>There will be 288 original files of each file for each day. The number of rerun files varies by the number of rerun intervals.</p>
<p>LPA Status Emails</p>	<p>The emails are currently sent to Andy Engle from Markets, and contain information about Markets manual updates to real-time CLMP, DFAX and UPF data.</p>
<p>\\vsdata2\special\common\performance\tlr2.mdb</p>	<p>TLR information provided by Performance Compliance.</p>

Markets Day Ahead Summary Report	Co-ops manually make hard copies of the report daily.
Various Files Stored in DOCS Belonging to Other Departments	
Markets Copy Archive Files	Princeton Softech archive files from BIDPRD and OPRPRD on a daily basis.

MMDS - SRCM Data

TABLE_NAME
ADJ_HA_MARG_ZONE_PARTICP_AUD_T
ADJ_RT_MARG_ZONE_PARTICP_AUD_T
DA_FLOWGATE_VALUE_AUD_T
DYNAMIC_SCHEDULE_AUD_T
FIRM_IMPACT_COMPARE_AUD_T
FLOWGATE_CAPACITY_AUD_T
HA_FLOWGATE_VALUE_AUD_T
HA_MARG_ZONE_PARTICP_AUD_T
MESSAGE_AUD_T
NNL_CALC_FIRM_IMPACT_AUD_T
RT_FLOWGATE_VALUE_AUD_T
RT_MARG_ZONE_PARTICP_AUD_T
TOTAL_EXPORT_AUD_T
TOT_ALLOC_FIRM_IMPACT_AUD_T
TRD_ALLOC_FIRM_IMPACT_AUD_T
TRD_ALLOC_NFIRM_IMPACT_AUD_T
TRD_FIRM_IMPACT_AUD_T
SRCM_DATA_TABLES_CTL
SRCM_DATA_LOADS_CTL
SRCM_DATA_LOAD_TABLES_CTL
AVAIL_SHR_TOT_FLOWGATE_AUD_T
NNL_CALC_CUR_PTP_AUD_T
UNIT_COMMITMENT_AUD_T
HA_MARG_ZONE_PARTICP_ADJ_AUD_T
RT_MARG_ZONE_PARTICP_ADJ_AUD_T
UNIT_COMMITMENT_TRD_AUD_T
MON_RT_SETTLEMENTS_AUD_T
NONMON_RT_SETTLEMENTS_AUD_T
DA_SETTLEMENTS_AUD_T
MLOG\$_SRCM_DATA_TABLES_CTL
RUPD\$_SRCM_DATA_TABLES_CTL
MLOG\$_SRCM_DATA_LOAD_TABLE
RUPD\$_SRCM_DATA_LOAD_TABLE
MLOG\$_SRCM_DATA_LOADS_CTL
RUPD\$_SRCM_DATA_LOADS_CTL
ADJUSTMENT_AUD_T
V_DA_FLOWGATE_VALUE_AUD

V_RT_MARG_ZONE_PARTICP_AUD
V_DA_SETTLEMENTS_AUD
V_ADJ_HA_MARG_ZONE_PARTICP_AUD
V_ADJ_RT_MARG_ZONE_PARTICP_AUD
V_AVAIL_SHR_TOT_FLOWGATE_AUD_C
V_NNL_CALC_CUR_PTP_AUD
V_DYNAMIC_SCHEDULE_AUD
V_FIRM_IMPACT_COMPARE_AUD
V_FLOWGATE_CAPACITY_AUD
V_HA_FLOWGATE_VALUE_AUD
V_HA_MARG_ZONE_PARTICP_ADJ_AUD
V_HA_MARG_ZONE_PARTICP_AUD
V_MESSAGE_AUD
V_MON_RT_SETTLEMENTS_AUD
V_NONMON_RT_SETTLEMENTS_AUD_C
V_RT_MARG_ZONE_PARTICP_ADJ_AUD
V_TOT_ALLOC_FIRM_IMPACT_AUD_C
V_TOTAL_EXPORT_AUD
V_TRD_ALLOC_FIRM_IMPACT_AUD_C
V_TRD_ALLOC_NFIRM_IMPACT_AUD_C
V_TRD_FIRM_IMPACT_AUD
V_UNIT_COMMITMENT_AUD
V_UNIT_COMMITMENT_TRD_AUD
FLOWGATE_TYPE_T
FLOWGATE_T
RT_FLOWGATE_VALUE_T
SRCM_DATA_ARCHIVE_TABLES_CTL
SRCM_ARCHIVE_LOADS_CTL
SRCM_ARCHIVE_LOAD_TABLES_CTL
DA_TH_FLOWGATE_VALUE_AUD_T
HA_TH_FLOWGATE_VALUE_AUD_T
RT_TH_FLOWGATE_VALUE_AUD_T
V_ADJUSTMENT_AUD

MMDS - LPA Archive

OWNER	TABLE_NAME
LPA_TMP	SE_DATA_T
LPA_TMP	UDS_T
LPA_TMP	PREPROCESSOR_UNITS_T
LPA_TMP	MARGINAL_CONTROL_T
LPA_TMP	DISP_TRANS_INTERFACE_T
LPA_TMP	R_PREPROCESSOR_UNITS_T
LPA_TMP	LPA_PRE_DATA_T

LPA_TMP	PREPROC_OVERRIDE_UNITS_T
LPAARCHIVE	CONSTRAINT_T
LPAARCHIVE	FILE_LOAD_LOG_T
LPAARCHIVE	BUS_LMP_HOURLY_T
LPAARCHIVE	LPA_LOG_T
LPAARCHIVE	MARGINAL_T
LPAARCHIVE	OPERATOR_LOG_T
LPAARCHIVE	AGGREGATE_LMP_5MIN_T
LPAARCHIVE	PREPROC_VALID_T
LPAARCHIVE	PRICEBOUND_T
LPAARCHIVE	SE_DATA_T
LPAARCHIVE	CT_T
LPAARCHIVE	STEAM_T
LPAARCHIVE	AGGREGATE_LMP_HOURLY_T
LPAARCHIVE	UDS_T
LPAARCHIVE	UNIT_EXCLUDE_T
LPAARCHIVE	BUS_LMP_5MIN_T
LPAARCHIVE	DIAGNOSTIC_T
LPAARCHIVE	FILE_RELOAD_T
LPAARCHIVE	DRATE_T
LPAARCHIVE	STEAM_BIDS_T
LPAARCHIVE	AREA_T
LPAARCHIVE	BUS_TYPE_T
LPAARCHIVE	CT_STATUS_T
LPAARCHIVE	INTERFACE_T
LPAARCHIVE	STEAM_STATUS_T
LPAARCHIVE	TEMP
LPAARCHIVE	UNIT_TYPE_T
LPAARCHIVE	ZONE_T
LPAARCHIVE	BUS_T
LPAARCHIVE	DATA_LOAD_TYPES_CTL
LPAARCHIVE	DATA_TABLE_TYPES_CTL
LPAARCHIVE	DATA_TABLES_CTL
LPAARCHIVE	DATA_LOADS_CTL
LPAARCHIVE	DATA_LOAD_TABLES_CTL
LPAARCHIVE	DATA_LOAD_ERRORS_CTL
LPAARCHIVE	FILE_TYPE_T
LPAARCHIVE	UNIT_T
LPAARCHIVE	INTERFACE_UNIT_T
LPAARCHIVE	AGGREGATE_T
LPAARCHIVE	PARAMETERS_T
LPAARCHIVE	POOL_TRANS_T
LPAARCHIVE	UNIT_COST_CAPPED_T
LPAARCHIVE	UNIT_COMMISSIONED_T
LPAARCHIVE	ERROR_LOG_T
LPAARCHIVE	UNIT_COST_CAPPED_VALID_T
LPAARCHIVE	DATA_UPDATE_TABLES_CTL
LPAARCHIVE	PREPROCESSOR_UNITS_T

LPAARCHIVE	MARGINAL_CONTROL_T
LPAARCHIVE	DISP_TRANS_INTERFACE_T
LPAARCHIVE	ERROR_TYPE_T
LPAARCHIVE	PARSER_ERROR_LOG_T
LPAARCHIVE	PARSER_TYPE_T
LPAARCHIVE	FLAT_FILE_TABLE_SECTION_CTL
LPAARCHIVE	FLAT_FILE_TYPES_CTL
LPAARCHIVE	PARSER_FILE_LOAD_DATA_CTL
LPAARCHIVE	PARSER_LOAD_ERRORS_CTL
LPAARCHIVE	R_AGGREGATE_LMP_HOURLY_T
LPAARCHIVE	R_BUS_LMP_5MIN_T
LPAARCHIVE	R_BUS_LMP_HOURLY_T
LPAARCHIVE	R_CT_T
LPAARCHIVE	R_DRATE_T
LPAARCHIVE	R_PREPROCESSOR_UNITS_T
LPAARCHIVE	R_AGGREGATE_LMP_5MIN_T
LPAARCHIVE	R_PREPROC_VALID_T
LPAARCHIVE	R_PRICEBOUND_T
LPAARCHIVE	R_SE_DATA_T
LPAARCHIVE	R_STEAM_BIDS_T
LPAARCHIVE	R_STEAM_T
LPAARCHIVE	R_UDS_T
LPAARCHIVE	R_UNIT_EXCLUDE_T
LPAARCHIVE	TEMP_BUS_LMP_5MIN_T
LPAARCHIVE	O_AGGREGATE_AUDIT_T
LPAARCHIVE	O_BUS_AUDIT_T
LPAARCHIVE	O_UNIT_AUDIT_T
LPAARCHIVE	O_UNIT_COMMISSIONED_AUDIT_T
LPAARCHIVE	O_ZONE_AUDIT_T
LPAARCHIVE	AGGREGATE_AUDIT_T
LPAARCHIVE	BUS_AUDIT_T
LPAARCHIVE	UNIT_AUDIT_T
LPAARCHIVE	UNIT_COMMISSIONED_AUDIT_T
LPAARCHIVE	ZONE_AUDIT_T
LPAARCHIVE	PREPROC_OVERRIDE_UNITS_T
LPAARCHIVE	LPA_PRE_DATA_T
LPAARCHIVE	BUS_ML_5MIN_T
LPAARCHIVE	CT_UNIT_RELOAD_TEMP_TABLE_1
LPAARCHIVE	CT_UNIT_RELOAD_TEMP_TABLE_2
LPAARCHIVE	CT_UNIT_RELOAD_RESULTS
LPAARCHIVE	STEAM_UNIT_RELOAD_RESULTS
LPAARCHIVE	STEAM_UNIT_RELOAD_TEMP_TABLE_1
LPAARCHIVE	STEAM_UNIT_RELOAD_TEMP_TABLE_2

MMDS - EES Data

OWNER	TABLE_NAME
EESHIST_AUDIT_OWNER	DATA_TABLES_CTL
EESHIST_AUDIT_OWNER	DATA_LOADS_CTL
EESHIST_AUDIT_OWNER	DATA_LOAD_TABLES_CTL
EESHIST_AUDIT_OWNER	DATA_LOAD_ERRORS_CTL
EESHIST_CONTROLAREA	PRICING_AREA_T
EESHIST_CONTROLAREA	PRICING_AREA_AUD_T
EESHIST_CONTROLAREA	PRICING_AREA_MAPPING_T
EESHIST_CONTROLAREA	PRICING_AREA_MAPPING_AUD_T
EESHIST_CONTROLAREA	PRICING_POINT_MAPP_PREPATHWAY
EESHIST_CONTROLAREA	PRICING_PT_MAPP_PREPATHWAY_AUD
EESHIST_CONTROLAREA	PRICING_POINT_MAPPING_T
EESHIST_CONTROLAREA	PRICING_POINT_MAPPING_AUD_T
EESHIST_CONTROLAREA	ALLOW_PJM_PATH_SEGMENT_T
EESHIST_CONTROLAREA	CHECKOUT_AUDIT_T
EESHIST_CONTROLAREA	CHECKOUT_STATUS_T
EESHIST_CONTROLAREA	CHECKOUT_STATUS_AUD_T
EESHIST_CONTROLAREA	CHECKOUT_T
EESHIST_CONTROLAREA	CONTROL_AREA_INFO_T
EESHIST_CONTROLAREA	INTERCHANGE_LIMIT_T
EESHIST_CONTROLAREA	INTERFACE_CONTROL_AREA_T
EESHIST_CONTROLAREA	INTERFACE_T
EESHIST_CONTROLAREA	NEIGHBORS_T

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EESHIST_CONTROLAREA	ORG_NERC_REF_ACRONYM_TYPE_T
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EESHIST_CONTROLAREA	RAMP_LIMIT_T
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EESHIST_EES	TIME_CHANGE_AUD_T
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EESHIST_EES	ACI_TRANSDYNAMICDATA_T
EESHIST_EES	ACI_TRANSSTATICDATA_T
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EESHIST_EES	FERC_HOLIDAY_AUD_T
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EESHIST_EES	OASISATCVALUE_T
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EESHIST_EES	PRODUCTDECREMENTMATRIX_T

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EESHIST_EES	PRODUCT_AUD_T
EESHIST_EES	REQUEST_AUDIT_T
EESHIST_EES	REQUEST_INTERVAL_AUDIT_T
EESHIST_EES	REQUEST_INTERVAL_T
EESHIST_EES	REQUEST_T
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EESHIST_EES	CODE_AUD_T
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EESHIST_EES	AUTHORITY_T
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EESHIST_NERCTAG	TAGMISCINFO_T
EESHIST_NERCTAG	TAGPSSCHEDENTITIES_T
EESHIST_NERCTAG	TAGPS_T
EESHIST_NERCTAG	TAGTACP_T
EESHIST_NERCTAG	TAGTA_T
EESHIST_NERCTAG	TAG_PROCESSING_STATUS_T
EESHIST_NERCTAG	TAG_T
EESHIST_NERCTAG	ACTION_REQUIRED_LOG_AUDIT_T
EESHIST_NERCTAG	ACTION_REQUIRED_LOG_T
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EESHIST_NERCTAG	REQCORRECTIONS_T
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EESHIST_RAMPRES	DIRECTION_TYPE_AUD_T

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EESHIST_RAMPRES	RAMPRES_T
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EESHIST_RTODEX	RAMP_TYPE_AUD_T
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EESHIST_SCHEDULE	SPECIAL_EXCEPTION_TYPE_T
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EESHIST_SCHEDULE	BATCH_T
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EESHIST_SCHEDULE	COMMENT_LOG_T
EESHIST_SCHEDULE	DIRECTION_TYPES_T
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EESHIST_SCHEDULE	ENERGY_INTERVAL_AUDIT_T

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EESHIST_SCHEDULE	ENERGY_RATE_INTERVAL_T
EESHIST_SCHEDULE	ENERGY_RATE_TYPES_T
EESHIST_SCHEDULE	ENERGY_TOTAL_T
EESHIST_SCHEDULE	PATH_INTERVAL_T
EESHIST_SCHEDULE	PATH_PARTICIPANT_T
EESHIST_SCHEDULE	PROFILE_AUDIT_T
EESHIST_SCHEDULE	PROFILE_FLAGS_T
EESHIST_SCHEDULE	PROFILE_FLAG_TYPES_T
EESHIST_SCHEDULE	PROFILE_STATUS_T
EESHIST_SCHEDULE	PROFILE_T
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EESHIST_SCHEDULE	RAMP_T
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EESHIST_SCHEDULE	TRANS_RES_INTERVAL_T
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EESHIST_STEAMLOG	ACTUAL_OR_FORECAST_CONT_T
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EESHIST_STEAMLOG	ASSIGN_COMMENT_TYPE_T
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EESHIST_STEAMLOG	CONTINGENCY_TITLE_T
EESHIST_STEAMLOG	CURTAIL_CUTOFF_T
EESHIST_STEAMLOG	ELEMENT_T
EESHIST_STEAMLOG	EQUIPMENT_CHANGE_T
EESHIST_STEAMLOG	FACILITY_CONTINGENCY_T
EESHIST_STEAMLOG	FORECAST_CONTINGENCY_T

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EESHIST_STEAMLOG	LINE_CONTINGENCY_TYPE_T
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EESHIST_STEAMLOG	LINE_GROUP_T
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EESHIST_TRANSRES	SPOT_TRANSMISSION_T
EESHIST_TRANSRES	TAG_USAGE_INTERVAL_AUDIT_T
EESHIST_TRANSRES	TAG_USAGE_INTERVAL_T
EESHIST_TRANSRES	DA_EXPECTED_PATHWAY_FLOW_T
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EESHIST_TRANSRES	EXPECTED_PATHWAY_FLOW_T
EESHIST_TRANSRES	PATHWAY_FLOW_T
EESHIST_TRANSRES	PATHWAY_LIMIT_T
EESHIST_TRANSRES	PJM_ALLOCATION_CONFIRMATION_T
EESHIST_TRANSRES	PJM_PATHWAY_OASIS_T
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EESHIST_TRANSRES	TRANSMISSION_PRIORITY_AUD_T
EESHIST_TRANSRES	TRANSMISSION_USAGE_INTERVAL_T

EESHIST_TRANSRES	TRANSMISSION_USAGE_INTER_AUD_T
EESHIST_TRANSRES	RESERVATION_SHARING_AUD_T
EESHIST_TWOSSETTLE	SCHEDULE_AUDIT_T
EESHIST_TWOSSETTLE	SCHEDULE_T
EESHIST_TWOSSETTLE	SETTLE_ACTION_REQUIRED_LOG_T
EESHIST_TWOSSETTLE	SETTLE_ACTION_REQ_LOG_AUD_T
EESHIST_TWOSSETTLE	SETTLE_INTERVAL_AUDIT_T
EESHIST_TWOSSETTLE	SETTLE_INTERVAL_T
EESHIST_TWOSSETTLE	SETTLE_PROFILE_AUDIT_T
EESHIST_TWOSSETTLE	SETTLE_PROFILE_T
EESHIST_TWOSSETTLE	SETTLE_RESULT_INTERVAL_T
EESHIST_TWOSSETTLE	SETTLE_STATUS_TYPE_T
EESHIST_TWOSSETTLE	SETTLE_STATUS_TYPE_AUD_T
EESHIST_TWOSSETTLE	SETTLE_TRANSMISSION_RES_AUD_T
EESHIST_TWOSSETTLE	SETTLE_TRANSMISSION_RES_T
EESHIST_TWOSSETTLE	SETTLE_TYPE_T
EESHIST_TWOSSETTLE	SETTLE_TYPE_AUD_T
EESHIST_TWOSSETTLE	PROFILE_AUDIT_T

Appendix D: Change Management Process

PJM Change Management Process

PJM shall utilize its Non-EMS Change management Procedure, a copy of which shall be provided to MMU, to ensure that changes to its production systems are applied in a controlled and consistent manner and do not compromise the stability and/or security of any component of its information technology environment. Changes to PJM's production systems must be initiated by MMU by submitting a formal request via PJM's change control system, which request must be authorized by PJM management and implemented following the change management procedures. If the change management procedures are revised, PJM shall provide MMU notice of such revisions along with both a hard and electronic copy of the revised change management procedures.

As part of its change management procedures PJM has established a Change Control Review Board (CCRB) that meets on a weekly basis to review, coordinate and approve system changes. A representative of MMU will attend and participate in CCRB meetings. PJM will communicate the determinations of the CCRB to the MMU on a weekly basis to inform the MMU of pending changes. In addition to regularly scheduled changes, PJM may also make emergency changes to its systems if at least one of the following is at issue: (a) a significant financial impact to PJM; (b) failure of a mission-critical application; (c) inaccurate or incorrect reporting to a regulatory agency; and (d) the inability to meet a critical financial deadline.

In emergency change situations PJM staff will complete emergency change paperwork as soon as feasible after the change. The CCRB will notify MMU of changes that will impact the PJM systems that MMU accesses.

MMU Change Management Process

MMU shall develop change management procedures to be utilized to ensure that changes to its production systems are applied in a controlled and consistent manner and do not compromise the stability and/or security of any component of its information technology environment. MMU shall provide PJM with a copy of such change management procedures when they have been developed.

Appendix E: PJM Access to MMU Data and Systems

This access is currently provided to PJM by the internal Market Monitoring Unit.

Detailed Table List

Database Schema	Table
DATA_TRANS_OWNER	DA_DAILY_T
DATA_TRANS_OWNER	DA_HOURLY_T
DATA_TRANS_OWNER	RT_DAILY_T
DATA_TRANS_OWNER	RT_HOURLY_T
ECART	BAL_CNG_GEN_CREDITS
ECART	BAL_CNG_LOAD_PAYMENTS
ECART	BAL_EXPLICIT_CONGESTION
ECART	BAL_NETBILL_CONGESTION
ECART	DA_CNG_GEN_CREDITS
ECART	DA_CNG_LOAD_PAYMENTS
ECART	DA_EXPLICIT_CONGESTION
ECART	DA_FTR_TARGET_ALLOCATIONS
ECART	DA_NETBILL_CONGESTION
ECART	ECARTARRMARKET
ECART	RT_AFFECTED_LOAD
ECART	RT_ARR_MW
ECART	RT_CNG_GEN_CREDITS
ECART	RT_CNG_LOAD_PAYMENTS
ECART	RT_ECO_GEN
ECART	RT_EXPLICIT_CONGESTION
ECART	RT_GROSS_CONGESTION
ECART	RT_IMPLICIT_CONGESTION
ECART	RT_NETBILL_CONGESTION
ECART	RT_SPOT_CONGESTION
ECART	RT_UNHEDGEABLE_CONGESTION
ECART	RT_UNHEDGED_LOAD
MMS	AREA_UNDER_BID_CURVE_RT
MMS	BLACKSTART_REVENUE
MMS	CAP_DETAIL
MMS	DAILY_SUPPLY_CURVE
MMS	DA_BINDING_CONSTRAINTS
MMS	DA_CLMP_DFAX
MMS	DA_OPS_DAILY
MMS	DA_OPS_HOURLY
MMS	FMU
MMS	FMU_ASSOC_UNIT
MMS	FMU_CANDIDATE
MMS	FTR_FORFEITURE
MMS	FTR_FORFEITURE_CANDIDATE
MMS	GEN_5MIN

MMS	GRANDFATHER_TRANSACTIONS
MMS	MARGINAL_FUEL_POSTINGS
MMS	MMU_BUS_STATE
MMS	MMU_ESTIMATED_COST_OFFER
MMS	MMU_FUEL_ADJUSTED_LMP
MMS	MMU_NET_REVENUE
MMS	MMU_UNIT_REVENUE
MMS	MUST_RUN
MMS	OFFER_CAP
MMS	OFFER_CAP_STATISTICS
MMS	OPERATING_RESERVES
MMS	PJM_DA_LOAD_GEN
MMS	PJM_LMP_5MIN
MMS	PJM_LOAD_EMETER
MMS	PJM_LOAD_LMP
MMS	REG_CREDITS
MMS	REG_EST_COST_OFFER_POST2007
MMS	REG_EST_COST_OFFER_PRE2007
MMS	REG_OFFERED_PURCHASED
MMS	REG_OFFER_BIDS
MMS	RT_AGGREGATE_INTERFACE_FACTOR
MMS	RT_CONSTRAINTS
MMS	RT_CONSTRAINTS_LOOKUP
MMS	RT_HOURLY_CLMP_DFAX
MMS	RT_HOURLY_CONSTRAINTS
MMS	RT_HOURLY_SMP
MMS	RT_LMP_VERIFICATION
MMS	RT_OPS_DAILY
MMS	RT_OPS_HOURLY
MMS	RT_SMP
MMS	SPIN_CREDITS_HOURLY
MMS	SPREGO_ASAREA
MMS	SPREGO_CONTROLZONE
MMS	SPREGO_DAILY
MMS	SPREGO_HOURLY
MMS	SPREGO_RESERVEZONE
MMS	SPREGO_SPDOPTIONS
MMS	STATE_LOAD_LMP
MMS	STATION_SERVICE_RATE
MMS	TRANSACTION_HOURLY
MMS	TRANSACTION_NET_RT
MMS	UO_ENERGY_OUTPUT_OWNER
MMS	UO_ORGANIZATION_MARKETS
MMS	UO_ORGANIZATION_MSET
MMS	UO_UNIT_BIDDER
MMS	UO_UNIT_GENERATOR_MAP
MMS	UO_UNIT_OPERATOR
MMS	UPF

MMS	UPF_BUS_UNIT_CONTRIBUTION
MMS	UPF_CONSTRAINT_CONTROL
MMS	UPF_DA
MMS	UPF_UNIT_CONTRIB_HOURLY
MMS	ZONAL_LMP
MMS	ZONAL_LOAD_LMP



Appendix F: PJM 2007 Internal Project Labor Rates

PJM's internal project labor rates at which it may charge MMU for services provided to MMU and at which MMU may charge PJM, as set forth in this SLA shall be, until updated and agreed to by the Parties:

Estimated Hourly Labor Rates

	Band I	Band II	Band III	Band IV	Band V & VI
Regular Hours Charged	\$46	\$60	\$61	\$76	\$103
Time and a Half Hours Charged	\$55	\$74	\$76	\$97	\$132

Attachment 3

Proposed Letter Order

PROPOSED LETTER ORDER

**FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426**

**In Reply Refer To:
Docket Nos. EL07-56-000, -001, -002
and EL07-58-000, -001, -002**

Barry S. Spector
Deborah C. Brentani
Wright & Talisman, P.C.
1200 G Street, N.W.
Suite 600
Washington, D.C. 20005

Dear Mr. Spector and Ms. Brentani:

1. On December 19, 2007, on behalf of the Settling Parties in Docket Nos. EL07-56-000, -001, -002 and EL07-58-000, -001, -002, you filed a settlement agreement, which included revisions to the PJM Open Access Transmission Tariff ("PJM Tariff") and PJM Operating Agreement, which resolves all of the issues in these proceedings that were designated for settlement discussions by the Commission's September 20, 2007 order in this proceeding. Comments on the settlement were filed by _____ on January 8, 2008. Reply comments were filed by _____ on January 18, 2008.
2. The settlement agreement is in the public interest and is hereby accepted. The Commission's acceptance of the settlement agreement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission retains the right to investigate the rates, terms and conditions under the just and reasonable and not unduly discriminatory or preferential standard of Section 206 of the Federal Power Act, 16 U.S.C. § 824e.
3. The rate schedule designations are in compliance with Designation of Electric Rate Schedule Sheets, Order No. 614 (FERC Statutes and Regulations, Regulations Preambles July 1996-December 2000 ¶ 31,096 (2000)) and are accepted for filing as designated and made effective on June 1, 2008. The Commission grants waiver of section 35.3(a) of its regulations to permit such effective date.

By direction of the Commission.

Secretary

Enclosure

cc: To All Parties

Attachment 4

Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d) & 2010), I have served, either by paper or electronic service, the foregoing documents on all the parties listed on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 19th day of December, 2007.



Barry S. Spector
Wright & Talisman, P.C.
1200 G Street, N.W., Suite 600
Washington, DC 20005
(202) 393-1200

Attorney for
PJM Interconnection, L.L.C.