

## ATTACHMENT U

### INDEPENDENT TRANSMISSION COMPANIES

This Attachment U sets forth a general framework for the development and operation of independent transmission companies (“ITCs”) as to certain of the transmission facilities for which the Transmission Provider, PJM Interconnection, L.L.C. (“PJM”), is otherwise responsible. The provisions of this Attachment U shall govern in the event of any conflict between this Attachment and the other provisions of the Tariff, except as to Attachment M of the Tariff. If there is a conflict between the provisions of Attachment U and Attachment M, the provisions of Attachment M shall govern. Under this Attachment U, certain responsibilities may be assigned to an ITC, if the ITC enters into an ITC Agreement in the form set forth in this Tariff and if FERC acceptance of the independence of the ITC and FERC approval or acceptance of the assignment is obtained as provided herein.

This Attachment U sets forth the standard terms and conditions, and the standard division of rights, responsibilities, and functions, in conformance with FERC policy and precedent, for any ITC that operates under PJM. Any entity or entities submitting a proposal to become an ITC (“ITC Sponsor”) shall enter into an ITC Agreement in the form set forth in Attachment V to the Tariff, which is subject to and incorporates the standard terms and conditions of this Attachment U and identifies the ITC Transmission Facilities (as defined herein).

It is recognized that PJM shall be responsible for administering any wholesale energy market (and providing all functions integral to such market administration) within the PJM region.

#### 1. FERC APPROVAL

1.1 FERC Acceptance As A Prerequisite. Before receiving the rights and responsibilities provided for under this Attachment U, the ITC Sponsor shall apply for and receive a FERC order accepting the ITC proposal to be implemented and finding that the proposed ITC satisfies FERC’s independence criteria and that such entity may be treated as an ITC under this Attachment U.

1.2 Effect of FERC Acceptance. Once FERC issues an order accepting the filing and providing the finding required under Section 1.1, then the ITC, subject to satisfaction of the other requirements of this section 1, may operate under PJM consistent with the rights, responsibilities, and functions that have been accepted or approved by FERC.

1.3 Any entity or entities submitting a proposal to become an ITC (“ITC Sponsor”) shall submit a filing with FERC detailing each of the rights, responsibilities, and functions the ITC proposes to assume, which may consist of some or all of the rights, responsibilities, and functions set forth in this Attachment U, together with specifics on implementing any of these assigned rights, responsibilities, and functions. An ITC Sponsor must have, or demonstrate to FERC that it shall have

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prior to implementation, ownership of, or the authority to direct the operation of, transmission facilities that are within the PJM region, or that are to be added to the PJM region as a result of the establishment of the ITC (such facilities referred to herein as the “ITC Transmission Facilities”).

- 1.4 Following the FERC approvals specified in section 1.1 above, the ITC shall assume the rights and responsibilities described herein on the first day of the calendar month (“ITC Commencement Date”) following the date on which the ITC provides written notice to Transmission Provider that the ITC is prepared to assume its responsibilities hereunder in accordance with section 15 below. PJM shall coordinate with the ITC prior to the ITC Commencement Date to ensure that PJM is capable as of the ITC Commencement Date of providing the responsibilities reserved to PJM hereunder as to the ITC Transmission Facilities and related bulk power facilities.
- 1.5 Prior to the ITC Commencement Date, the ITC and each owner of transmission facilities participating in such ITC shall execute, with respect to the transmission facilities over which it has the authority to direct the operation: (a) the Consolidated Transmission Owners Agreement; and (b) the Operating Agreement. In the event of any conflict between the ITC Agreement and the Operating Agreement that affects the PJM Region other than the ITC Transmission Facilities, the provisions of the Operating Agreement shall control pending dispute resolution, with final approval of the dispute’s resolution by FERC. In the event of any other express conflict between the ITC Agreement and the Operating Agreement or the transmission owners agreement executed by ITC, neither the transmission owners agreement nor the Operating Agreement shall be interpreted to limit the rights and responsibilities assigned to ITC in its role as an ITC pursuant to the ITC Agreement.

## 2. SECURITY COORDINATION

- 2.1 Regional Reliability Authority. PJM shall be the regional Reliability Authority under NERC standards for all PJM transmission facilities, including any ITC Transmission Facilities. As the Reliability Authority, PJM is responsible for monitoring and directing corrective action for reliability for all areas in the PJM region.
- 2.2 ITC Actions to Preserve System Security. An ITC may monitor and analyze the security of the ITC Transmission Facilities and may take actions to protect the ITC Transmission Facilities from physical damage or prevent injury or damage to persons or property in accordance with good utility practice and the PJM

Operating Manuals, as they may be modified pursuant to Section 16 of this Attachment U, before requesting assistance from PJM. At the earliest possible time, the ITC shall inform PJM of any such actions taken and coordinate further actions with PJM.

- 2.3 Ultimate Authority. Notwithstanding any other provision in this Attachment U, PJM may intercede and direct appropriate actions in its role as the regional

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Reliability Authority. The ITC shall be responsible for implementing such corrective actions directed by PJM. If such PJM action or direction is disputed, PJM's position shall control pending resolution of the dispute.

### 3. BASE TRANSMISSION RATES

- 3.1 Right to File Rate Changes. The ITC shall possess the unilateral right, subject to consultation with PJM, to file at FERC and to place into effect pursuant to FPA Section 205 the rates for transmission services for delivery to the zone or zones comprising the ITC Transmission Facilities (including incentive rate structures, but excluding ancillary services, except as permitted by section 17, and excluding the congestion pricing methodology for the PJM region), and for additional services, if any, solely involving the ITC Transmission Facilities, and the revenue requirement for such zones for use in developing rates for other transmission services provided by PJM. Such rate or rate structure changes shall be included in discrete schedules or portions of the Tariff (hereafter, such the "ITC Rate Schedule"). The ITC shall consult with PJM prior to making a section 205 rate filing to ensure that PJM has adequate opportunity to determine whether the proposal results in adverse impacts outside the zone or zones comprising the ITC Transmission Facilities.
- 3.2 Limitations. The ITC may not implement transmission rates in accordance with Section 3.1 that violate the terms of the Consolidated Transmission Owners Agreement.
- 3.3 No Rate Pancaking. Notwithstanding its rights under Section 3.1, the ITC shall not implement rates or a rate structure that results in a Transmission Customer paying more than one base transmission charge for use of the Transmission System for any one transaction.

### 4. REVENUE DISTRIBUTION

- 4.1 ITC Receipt of Transmission Revenues. The ITC shall receive and/or retain revenues resulting from the provision of transmission service under the Tariff in accordance with the applicable revenue distribution procedures of the Consolidated Transmission Owners Agreement. The ITC may take no unilateral action that interferes with or affects the revenue distribution provided for in such agreements or that interferes with the collection by PJM of the revenues due it for services it provides or arranges.
- 4.2 Redistribution of Revenues. The ITC may distribute the revenues due it in accordance with section 4.1 above in any manner it wishes subject to receiving any necessary regulatory approvals, without involvement of PJM.

5. MANAGEMENT OF CONGESTION PRICING METHODOLOGY

- 5.1 Subject to FERC approval, PJM shall determine the congestion pricing methodology for the PJM region, administer the dispatch of the generation and

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transmission facilities in the PJM region in accordance with the approved methodology, calculate the resulting congestion prices, and conduct all related billing and settlement.

## 6. ACTIONS TO ENHANCE TRANSMISSION PERFORMANCE

6.1 The ITC may take actions with respect to the system comprised of the ITC Transmission Facilities that can be accommodated within the framework of the approved congestion pricing methodology referenced in Section 5.1 above. It may do this through targeted transmission system investment, outage management, the determination of transmission device settings, establishing contractual arrangements (e.g., with generators and LSE's), changes in technology, and other operating actions affecting the ITC Transmission Facilities. Before it first implements such actions, the ITC shall consult with PJM to develop procedures for inclusion in the PJM Operating Manuals for each class of such action that the ITC may thereafter implement. In such consultation, PJM shall consider whether the type of action can be accommodated within the framework of the approved congestion pricing methodology and whether the type of action would result in violations of regional reliability criteria applied in the PJM region. Following inclusion of procedures for each such type of action in the Manuals, the ITC may implement such actions in coordination with PJM in the manner set forth in the manuals. In addition, the ITC and PJM shall cooperate with one another in solving operational issues outside the ITC region that affect the ITC Transmission Facilities, or inside the ITC region that affect facilities outside such region.

6.2 Incentive Mechanisms. The ITC shall possess the unilateral right to file with FERC incentive mechanisms relating to the system comprised of the ITC Transmission Facilities in a manner that can be accommodated within the framework of the approved methodology referenced in Section 5.1 above. The ITC shall consult with PJM prior to filing any such mechanism to allow PJM to consider whether any such proposed mechanism can be so accommodated and whether it would result in violations of regional reliability criteria applied in the PJM region. In addition, prior to the implementation of any such incentive mechanism, the ITC and PJM shall coordinate the operation of any such mechanism. PJM shall modify the PJM Operating Manuals as necessary to allow for the implementation of any FERC-approved incentive mechanism.

## 7. TARIFF ADMINISTRATION

7.1 Service under the Tariff. PJM is the Transmission Provider and remains responsible for administering the Tariff, which shall be amended to include the ITC Transmission Facilities and any provisions specific to the ITC Transmission Facilities that the ITC may propose pursuant to this Attachment U. Transmission Customers on the ITC Transmission Facilities will receive transmission service

under the Tariff. PJM shall execute the agreements with customers for service under the Tariff, except that the ITC and PJM shall both execute agreements with customers for interconnection services. For transmission services for delivery to the zone or zones comprising the ITC Transmission Facilities, to the extent rate discounting is authorized as to such transmission services, the ITC shall make all decisions on rate discounts.

- 7.2 OASIS. PJM shall maintain the OASIS specified in section 4 of the Tariff. Customers shall apply for service on the PJM OASIS. PJM shall have responsibility for granting or denying all transmission service requests, but shall coordinate as necessary with ITC in developing its response to transmission service requests, including any necessary studies. The ITC shall be entitled to have and maintain a site page within the PJM OASIS for any additional services provided by such ITC.
- 7.3 Studies. PJM shall administer the contracts with the customers and shall provide the notices and make filings under this Tariff. If a system impact, facilities, or other study is required to address a connection to, or a constraint or other impact on, the ITC Transmission Facilities, then the ITC shall assume responsibility for the study subject to oversight by, and coordination with, PJM, and satisfaction of PJM criteria for such studies as set forth in the joint planning protocol developed pursuant to Section 10.3. The study agreement shall be executed by PJM; provided however, that nothing herein shall preclude the ITC from entering into additional agreements with customers regarding studies.
- 7.4 ATC. PJM shall calculate Available Transfer Capability (“ATC”), in accordance with Attachment C to the Tariff, for all facilities, including the ITC Transmission Facilities, provided that the ITC shall possess the unilateral right to provide, pursuant to section 9.1 of this Attachment U, the ratings, transfer limits, inputs, assumptions, and corresponding operating guides with respect to the ITC Transmission Facilities to be used in calculating ATC. If PJM disagrees with these ratings, transfer limits, calculations, inputs, assumptions, or corresponding operating guides, the ITC’s position shall prevail pending dispute resolution, unless PJM determines that ITC’s position would violate system reliability criteria, in which case PJM’s position shall prevail pending dispute resolution.
- 7.5 Scheduling. Customers will schedule through the processes established by PJM.

## 8. CURTAILMENTS

- 8.1 PJM shall be responsible for directing all curtailments consistent with the Tariff and the Operating Agreement. The ITC and PJM shall develop protocols to implement any curtailments ordered by PJM with respect to the ITC Transmission Facilities.

- 8.2 The ITC may propose to PJM operating methods to avoid and/or limit the need for curtailments, and may implement such measures involving operation of the ITC Transmission Facilities, in coordination with PJM; provided, however, that if PJM determines that a measure proposed by the ITC would exacerbate an existing violation of a system reliability criterion, or cause a violation of such criterion elsewhere on the system, or of another system reliability criterion, then that measure shall not be implemented, pending dispute resolution.

## 9. OPERATIONS

- 9.1 Ratings and Rating Procedures. The ITC is responsible for the establishment of ratings, transfer limits, and rating procedures for the ITC Transmission Facilities. The ITC shall provide notice to PJM of all changes in ratings, transfer limits, and rating procedures, along with the related information called for by section 1.9.8 of Schedule 1 to the PJM Operating Agreement, in accordance with the deadlines set forth in such section 1.9.8 and in accordance with the PJM Manuals, as they may be modified pursuant to Section 16; provided that nothing in section 1.9.8 shall preclude the ITC from instituting ratings changes (including, but not limited to, dynamic ratings changes) in accordance with applicable PJM Operating Manuals, as they may be revised pursuant to section 16 of this Attachment U. Notwithstanding sections 1.9.8 or 1.9.9(e) of Schedule 1 to the Operating Agreement, should PJM dispute the application of a rating, then the ITC's position shall prevail pending dispute resolution.

- 9.2 Transmission Maintenance. The ITC shall be responsible for developing its own coordinated transmission maintenance and outage schedules for the ITC Transmission Facilities and shall advise PJM of all such maintenance and outage schedules, for all ITC Transmission Facilities, in accordance with section 1.9.2 of Schedule 1 to the Operating Agreement. PJM shall have the authority to disapprove transmission maintenance outages on the ITC Transmission Facilities if ITC fails to comply with the notice requirements of section 1.9.2 of Schedule 1 to the Operating Agreement, or if PJM determines that such outages would create a violation of system reliability criteria. PJM shall have the authority to revoke its previously granted approval of transmission maintenance outages on the ITC Transmission System if forced transmission outages or emergency circumstances occur such that proceeding with the approved outage would create a violation of system reliability criteria; provided that, where time permits, PJM will consult with the ITC to determine whether steps can be taken that would enable the maintenance outage to go forward as scheduled. PJM shall notify the ITC of the decision to reschedule or revoke approval of the transmission maintenance outage as soon as possible after the circumstances arise that create the need for the rescheduling or revocation. Within a reasonable time after it requires a transmission maintenance outage to be rescheduled or revokes its approval of such an outage, PJM shall consult with the ITC to explain the reasons for its



decisions and to consider measures that the parties may adopt to avoid the need for further rescheduling or revocation of outages.

- 9.3 **Generation Maintenance.** In accordance with the Operating Agreement and with procedures in the PJM Manuals, as they may be modified pursuant to Section 16, the ITC shall promptly provide PJM with any advance notice of scheduled outages it receives from generators, and PJM shall promptly provide the ITC with any advance notice it receives of scheduled generator outages that affect the ITC Transmission Facilities, to permit the ITC to schedule transmission outages on the ITC Transmission Facilities and perform its other functions hereunder, and to permit PJM to exercise its responsibilities under the PJM Operating Agreement with respect to generator outages. The ITC may agree to coordinate with generators to modify its planned transmission outage schedules in coordination with generator outage schedules.
- 9.4 **Scheduling and Dispatch.** PJM shall be responsible for administering day-ahead and real-time wholesale energy markets, including transmission security monitoring and constrained economic dispatch, for all facilities, including the ITC Transmission Facilities. The ITC shall manage the configuration and topology of the ITC Transmission Facilities, including acting as the primary interface for all switching, maintenance, ratings, transfer limits, and monitoring, subject to the direction of PJM as the regional Reliability Authority, and in accordance with the PJM Operating Manuals, as they may be revised pursuant to Section 16 of this Attachment U.
- 9.5 **Operations.** The ITC shall have the authority and responsibility, in accordance with its agreements with the owners of the ITC Transmission Facilities, the terms of the Consolidated Transmission Owners Agreement, NERC and Applicable Regional Reliability Council standards and guidelines, and the PJM Operating Manuals, as such manuals may be revised pursuant to section 16 of this Attachment U, to operate those facilities in a safe, economical, and reliable manner. PJM shall have the authority and responsibility to issue operating instructions to the ITC as they relate to the ITC Transmission Facilities in accordance with the PJM Manuals, as they may be revised pursuant to Section 16 of this Attachment U, provided that nothing herein shall be construed to require a change in the physical control of the ITC Transmission Facilities using the ITC's control center facilities and equipment. The ITC and PJM shall seek agreement (where time limitations allow) on real-time operational decisions affecting the ITC Transmission Facilities not otherwise specified in the PJM Operating Manuals. In the absence of such agreement, or if time limitations do not permit reaching agreement, PJM shall exercise its authority to direct operations, subject to any actions the ITC may take in accordance with section 2.2 of this Attachment U.

## 10. PLANNING

10.1 PJM has the ultimate authority for developing a Regional Transmission Expansion Plan for its entire region, including the ITC Transmission Facilities, and may direct expansions as required in accordance with Schedule 6 to the PJM Operating Agreement, or successor provisions, as they may be amended. In the event of disputes between PJM and ITC concerning the contents of such Regional Transmission Expansion Plan, the position of PJM, as the ultimate authority for planning in the region, shall prevail. Pursuant to the joint planning protocol developed under Section 10.3 below, PJM shall be responsible for setting appropriate planning criteria and the ITC shall be responsible for studying the need for modifications, enhancements, or additions to the ITC Transmission Facilities and for proposing a plan of modifications, enhancements, or additions to the ITC Transmission Facilities. Each component of a timely plan proposed by the ITC shall be incorporated without PJM approval in the Regional Transmission Expansion Plan if PJM determines that such component does not materially adversely affect the Transmission System other than the ITC Transmission Facilities. The ITC also may suggest, in accordance with any established stakeholder procedures under Schedule 6 of the PJM Operating Agreement, potential modifications, enhancements, or additions to transmission facilities in the PJM region other than the ITC Transmission Facilities. Subject to any necessary FERC approval, the ITC may adopt any procedures it deems necessary with respect to the ITC's development of a plan of enhancements or expansions, so long as such procedures do not adversely affect PJM's ability to prepare the Regional Transmission Expansion Plan in a timely and efficient manner. Nothing in this Attachment U impairs the rights of affected parties to participate in the PJM planning process in accordance with Commission-approved procedures. During the planning process the ITC shall adhere to all Applicable Regional Reliability Council, NERC and PJM Planning criteria. The ITC shall participate with PJM in the development of the system needs analysis, any system impact studies and the transmission expansion plans as necessary to promote fully coordinated and efficient solutions.

10.2 Interconnection Requests. Customer requests for interconnection, including requests for interconnection with the ITC Transmission Facilities, will be coordinated by PJM in accordance with the Tariff and the PJM Manuals, as they may be modified pursuant to Section 16 of this Attachment U. The ITC shall assume primary responsibility for interconnection projects on the ITC Transmission Facilities. PJM shall be responsible for setting interconnection standards, receiving interconnection requests, administering the queue, coordinating the analysis of requests for interconnection with ITC Transmission

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Facilities with requests for interconnection with non-ITC Transmission Facilities, and ensuring that proposed interconnections to the ITC Transmission Facilities will not materially adversely affect the Transmission System other than the ITC Transmission Facilities. PJM as the Transmission Provider under this Tariff also shall retain primary responsibility for all service-related matters under the Tariff, including issuance and administration of interconnection rights. ITC shall regularly and frequently update PJM on the status and results of all interconnect studies performed by or for the ITC, in accordance with the joint planning protocol developed pursuant to Section 10.3. The results of any ITC

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studies prepared in response to interconnection requests shall be reflected in the Regional Transmission Expansion Plan.

- 10.3 Joint Planning Protocol. PJM and ITC shall develop a joint planning protocol to facilitate the seamless and efficient integration of all ITC transmission planning, study and analysis efforts, and all ITC proposals for transmission enhancements, modifications, and additions into the Regional Transmission Expansion Plan under Schedule 6 to the Operating Agreement and the regional generation interconnection queuing, study, and cost allocation process under Part IV of the Tariff. Such protocols shall be designed to facilitate the preparation of the Regional Transmission Expansion Plan, and shall reflect and accommodate the procedures, timelines, and study cycles employed for the regional transmission planning and generation interconnection process. PJM and ITC shall each implement the provisions of the joint planning protocol. PJM and ITC shall consult regularly concerning the extent to which changes to the joint planning protocol may be required to achieve the foregoing purposes in light of experience and, as applicable, the coordination of planning activities among PJM and all ITCs in the PJM region.
- 10.4 Material Adverse Effect. As used in this Attachment, a material adverse effect on the Transmission System other than the ITC Transmission Facilities shall not be present only if all of the following statements are true:
1. The proposed facility or requested service does not result in any non-ITC facilities in the PJM Region exceeding thermal, voltage, or stability limits, consistent with all applicable reliability criteria; and
  2. The proposed facility or requested service does not result in any circuit breaker on non-ITC facilities in the PJM Region exceeding its interrupting capability.

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11. BILLING AND REMITTANCE

11.1 PJM Responsibilities. PJM shall be responsible for all billing, settlement, and revenue distribution, except as provided in Section 11.2 below.

11.2 ITC Responsibilities. The ITC may elect to perform billing, settlement, and revenue distribution for the additional services, if any, provided by the ITC as referenced in section 3.1 of this Attachment U. The ITC may elect to contract for the provision of those functions by PJM or another third party.

12. MONITORING

12.1 The Market Monitoring Unit established under Attachment M of this Tariff shall monitor the services provided by the ITC, and the ITC-PJM relationship, to detect any problems that may inhibit a robust and competitive market. Transactions utilizing the ITC Transmission Facilities shall be subject to the authority of the Market Monitoring Unit on the same basis as transactions involving any other Market Participant (as defined in Attachment M) using other portions of the Transmission System.

13. LIABILITY AND INDEMNITY

13.1 The ITC shall execute the Operating Agreement as a Member of PJM and the liability and indemnity provisions as set forth in section 16 of the Operating Agreement shall apply to acts or omissions resulting from, arising out of, or in any way connected with this Attachment or the ITC Agreement.

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14. DISPUTE RESOLUTION

14.1 Dispute resolution as used herein refers to the dispute resolution procedures in section 12 of the Tariff, as it may be amended.

15. NOTIFICATION OF ASSUMPTION OF RESPONSIBILITIES

15.1 The ITC shall provide adequate notice to PJM of its intent to assume the responsibilities described in this Attachment U.

16. OPERATING PROCEDURES AND PROTOCOLS

16.1 Operating Guides, Manuals and Procedures. As provided in section 9.5 of this Attachment U, the ITC shall operate the ITC Transmission Facilities in accordance with the PJM Operating Manuals. Prior to start-up, and from time to time after the ITC commences operations, the ITC shall review such manuals and shall timely notify PJM of any changes or additions desired by the ITC to address specific conditions or operating procedures on the ITC Transmission Facilities. Subject to PJM's agreement, the PJM Manuals shall be revised or supplemented accordingly. PJM shall apprise ITC of subsequent changes to the PJM manuals through its established procedures for stakeholder notification of such changes. Any dispute between the ITC and PJM concerning changes to the PJM Manuals shall be resolved in accordance with Section 14.1, above. Nothing herein precludes the ITC from maintaining more detailed operating guides, manuals, and procedures specific to the ITC Transmission Facilities that are consistent with and subject to the operating guides and procedures in the PJM Manuals.

16.2 ITC Start-Up Procedures and Protocols. The ITC and PJM shall cooperate and use their best efforts to develop the necessary procedures and protocols to allow timely start-up of the ITC pursuant to this Attachment U.

17. ANCILLARY SERVICES

17.1 ITC System Control and Administrative Services. ITC shall recover its costs of providing system control and other administrative services through an appropriate schedule to the Tariff, as filed and made effective by ITC, subject to FERC acceptance.

17.2 System Restoration and Black Start Generation. PJM and the ITC shall coordinate in the preparation of a workable system restoration plan for the ITC Transmission Facilities in accordance with approved PJM Tariff requirements. PJM and the ITC shall be responsible for implementing their respective assigned duties under such system restoration plan.

17.3 Reactive Support. PJM shall be responsible for purchases of reactive support from generators under the PJM Tariff. If desired by ITC and approved by FERC, PJM

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shall designate ITC as a supplier of reactive support in accordance with an ITC Rate Schedule to be included in the PJM Tariff.

## 18. INFORMATION SHARING

18.1 Subject to FERC approval of any necessary changes to the PJM Operating Agreement, PJM shall share with the ITC information within the possession of PJM that is necessary for the ITC to perform those rights, responsibilities and functions that FERC authorizes the ITC to perform and the ITC shall share with PJM information within the possession of the ITC that is necessary for PJM to perform those rights, responsibilities and functions that FERC authorizes PJM to perform. If such data are immediately available, it is expected that the parties will establish communication links for data transfer as appropriate and necessary. Data requiring manipulation shall be made available within a reasonable time. In all cases, all data designated as confidential shall be handled as provided in section 18.2 of this Attachment U.

18.2 Confidentiality. To the extent ITC obtains from PJM or any Member of PJM any documents, data, or other information that has been designated by PJM or a Member as confidential, ITC shall treat such information in the same manner and subject to the same procedures, restrictions, and obligations as set forth in section 18.17 of the Operating Agreement. To the extent PJM obtains from ITC any documents, data, or other information that has been designated by ITC as confidential, PJM shall treat such information in accordance with the procedures, restrictions, and obligations as set forth in section 18.17 of the Operating Agreement.

## 19. INTERREGIONAL COORDINATION

19.1 PJM is responsible for coordination with all neighboring regions, including those adjacent to the ITC (or operated by the ITC in adjacent regions).

19.2 To the extent that an ITC (or its affiliates) is operating in PJM and a neighboring region, the ITC may, in coordination with PJM, undertake efforts to facilitate interregional coordination between PJM and the neighboring region. The ITC shall consult with PJM prior to implementing any such efforts to allow PJM to consider whether the actions could be accommodated within the framework of PJM's approved congestion pricing methodology and other rules and whether the actions would result in violations of regional reliability criteria applied in the PJM region.

## 20. REVISION OF ITC FUNCTIONS

20.1 The division of functions and responsibilities between PJM and ITC shall be as set forth in this Attachment U and the ITC Agreement and may be modified from time to time to reflect the functionality permitted for independent transmission

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companies in accordance with FERC policy as pronounced in proceedings concerning Standard Market Design or otherwise, and to reflect the experience of the parties in the actual performance of their functions hereunder. PJM and ITC from time to time will review the allocation of functions and responsibilities and address appropriate changes, if any, to the division of functions between ITC and PJM consistent with such FERC policy, and any such changes shall be subject to any required regulatory approvals.

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