

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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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 [using other portions of the Transmission System. This provision is also found in Article IV, Section B.7 of Attachment M of the Tariff 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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