

**Operating Agreement – Section 4.1 of Schedule 5 – Arbitration**  
**REDLINE**

Any dispute as to a matter: (i) governed by one of the Related PJM Agreements that has not been resolved through the mediation procedures specified herein, (ii) involving a claim that one or more of the parties owes or is owed a sum of money, and (iii) the amount in controversy is less than \$1,000,000.00, shall be subject to binding arbitration in accordance with the procedures specified herein. If the parties so agree, any other disputes as to a matter governed by a Related PJM Agreement may be submitted to binding arbitration in accordance with the procedures specified herein. Notwithstanding the foregoing, any dispute between the Transmission Provider and any Member(s) involving a matter of law related to the PJM Agreements or involving applications for rate changes or other changes to the Related PJM Agreements or Service Agreements entered into under the Tariff shall be presented directly to the Commission for resolution.

**PJM “Dispute Resolution Procedures”**

**Operating Agreement: Section 3.1 of Schedule 5 – Negotiation and Mediation**

The ~~p~~Parties to a dispute shall undertake good-faith negotiations to resolve any dispute as to a matter governed by one of the Related PJM Agreements. Each party to a dispute shall designate an executive with authority to resolve the matter in dispute to participate in such negotiations. Any dispute involving a matter governed by one of the Related PJM Agreements that has not been resolved through good-faith negotiation shall be subject to non-binding mediation prior to the initiation of arbitral, regulatory, judicial, or other dispute resolution proceedings as may be appropriate as provided by these PJM Dispute Resolution Procedures. Notwithstanding the foregoing, any dispute between the Transmission Provider and any Member(s) involving a matter of law related to the PJM Agreements or involving applications for rate changes or other changes to the Related PJM Agreements or Service Agreements entered into under the Tariff shall be presented directly to the Commission for resolution.

**Tariff- Section 12 Alternative Dispute Resolution**

**12.1 Internal Dispute Resolution Procedures**

~~Any Disputes~~ between a Transmission Customer, an affected Transmission Owner, or the Transmission Provider involving transmission service under the Tariff (~~applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution~~) shall be referred to a designated senior representative of each of the parties to the dispute for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties to the dispute may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in

accordance with the arbitration procedures set forth below. Notwithstanding the foregoing, any dispute between the Transmission Provider and any Member(s) involving a matter of law related to the PJM Agreements or involving applications for rate changes or other changes to the Related PJM Agreements or Service Agreements entered into under the Tariff shall be presented directly to the Commission for resolution.