

28 July 2015

Mr. Michael J. Kormos
Executive Vice President, Operations
PJM Interconnection, L.L.C.
PO Box 1525
Southeastern, PA 19399-1525

Memorandum of Understanding among PJM and the PJM Pipelines

Dear Mr. Kormos:

You have indicated that PJM and the region it serves is preparing for greater interdependence between the electric and natural gas industries. In connection with these efforts, PJM has recognized the need for gas-fired generators to arrange for reliable and flexible natural gas pipeline services, but has expressed concern about the availability of such services and the willingness of pipelines to develop and price these services.

Columbia Gas Transmission, LLC; Dominion Cove Point LNG, LP; Dominion Transmission, Inc.; National Fuel Gas Supply Corporation; Natural Gas Pipeline Company of America LLC; Tennessee Gas Pipeline Company, L.L.C.; Texas Eastern Transmission, LP; and Texas Gas Transmission, LLC; Transcontinental Gas Pipe Line Company, LLC (the "PJM Pipelines") currently serve certain gas-fired power generators within the PJM footprint, generators who often do not hold primary firm contracts for services rendered to these generators. Subject to the execution of firm contracts, the PJM Pipelines are willing to firm up such services where appropriate and to serve additional generators as conversions and construction of new plants take place. In many cases, the PJM Pipelines will require additional facilities to provide the flexible services sought by generators to meet PJM requirements on a reliable firm basis.

As permitted by FERC Order No. 787, PJM and the PJM Pipelines propose to undertake certain mutually-beneficial actions as described below. Through this MOU, the parties will share certain non-public information as contemplated by, and consistent with, Order No. 787, to promote reliable service and operational planning for both the electric grid and the interstate natural gas pipeline network.

Actions to be Undertaken by PJM

1. To provide clear expectations for gas-fired generator performance, PJM has advised the PJM Pipelines that PJM will establish, upon approval by FERC of its Capacity Performance filing generally uniform performance characteristics for gas fired generators that bid into the PJM capacity market and will share such generally uniform performance characteristics with the PJM Pipelines. While individual performance factors will be unit specific they will include:
 - a. Demonstration of capability to access firm gas flows at the peak hours of a given Electric Day,

- b. Hourly flexibility such that PJM will not be asked to compensate the generator for costs incurred due to inability to procure the natural gas commodity outside the normal scheduling window.
2. Prior to requesting specific generator information described below in Section 3(b) from a PJM Pipeline, PJM will first seek to obtain the information directly from the power generator.

Actions to be Undertaken by the PJM Pipelines

3. Each of the PJM Pipelines will:
 - a. Provide to PJM a description of services that are available to be requested by a generator that could satisfy PJM's Capacity Performance proposal, and a high level availability and feasibility of those services along its pipelines; and
 - b. Upon request by PJM, provide PJM a summary of services that have been requested by generators to be evaluated and the status of that evaluation. If PJM requests specific information regarding a generator service request, the pipeline will first notify the generator of its intent to relay this information to PJM, and then provide PJM a copy of the pipeline's preliminary evaluation for that generator, excluding any specific pricing information.
4. To the extent that any PJM Pipeline believes that any specific type of information sharing that is requested hereunder is not currently authorized through orders of the FERC and / or its FERC Gas Tariff, the pipeline will make an appropriate filing with FERC as it may deem necessary.

Additional Conditions

5. Non-public data provided and received by PJM pursuant to this MOU, as well as non-public data provided and received by the individual PJM Pipelines pursuant to this MOU, will be deemed confidential information provided for reliability purposes, pursuant to applicable tariffs and Order No. 787, and subject to the No Conduit restrictions outlined in that order.
6. The parties acknowledge that information shared pursuant to this MOU does not constitute an offer to provide services or to construct facilities (as may be required in order to provide services to a specific generator), or an agreement to subscribe to such services or facilities.
7. The parties acknowledge that the information being provided to the other is fact specific, of value for a limited time, and subject to change as market, operating decisions, construction costs, and actions by third parties (including power generators, upstream suppliers and PJM member transmission operators, among others) evolve.
8. Each of the PJM Pipelines expressly reserves the right to make services available in accordance with all applicable regulations, individual tariffs and agreements. Nothing in this

MOU or the Commission's Order No. 787 creates an obligation on the PJM Pipelines to offer services in a manner inconsistent with their approved FERC tariffs, prior obligations or the prudent management of their respective transmission systems.

9. Consistent with the intent of FERC Order 787 and provided that PJM maintains in place a Confidentiality Agreement with the Independent Market Monitor (IMM), Monitoring Analytics, providing for the non-disclosure of same by the IMM to any third party, PJM may share any information obtained pursuant to this MOU with the IMM.
10. Nothing in this MOU or the Commission's Order No. 787 creates an obligation on PJM to approve the cost recovery for any services contemplated herein.
11. This MOU will be in effect from its date of execution by PJM and each PJM Pipeline, through and including June 30, 2016. This MOU will continue to apply from month to month thereafter, unless terminated by written notice from any party to the other parties, after which point the party providing such notice would no longer be subject to the MOU. In the event that PJM provides such notice, the MOU will terminate as to all parties.

[Signature Page Follows]

Each party confirms its willingness and ability to participate in this Memorandum of Understanding as of the date first written above, by signing below.

**Dominion Cove Point LNG, LP
Dominion Transmission, Inc.**

By _____
Diane Leopold
President
Dominion Energy

Texas Eastern Transmission, LP

By _____
William T. Yardley
Group Vice President, Spectra Energy
Transmission, Northeast

Columbia Gas Transmission, L.L.C.

By _____
Stanley Chapman III
Executive Vice President & Chief
Commercial Officer, Columbia Pipeline
Group

Texas Gas Transmission, LLC

By _____
John Haynes
Senior Vice President and Chief
Commercial Officer, Boardwalk Pipeline
Partners

National Fuel Gas Supply Corporation

By _____
John R. Pustulka
President

**Transcontinental Gas Pipe Line Company,
LLC**

By _____
Frank J. Ferazzi
Vice President and General Manager

**Natural Gas Pipeline Company of America
LLC**

By _____
David J. Devine
President, Kinder Morgan Central Region
Natural Gas Pipelines

PJM Interconnection

By _____
Michael J. Kormos
Executive Vice President, Operations

Tennessee Gas Pipeline Company, L.L.C.

By _____
Kimberly S. Watson
President, Kinder Morgan East Region
Natural Gas Pipelines