

AP GAS & ELECTRIC (IL), LLC - ARES APPLICATION

ATTACHMENT E

Financial Qualification – Subpart D

Applicant will meet its financial obligations by satisfying 451.320(a) section 3. Proof of Applicant's membership with PJM and documentation to support that it procures 100% of its physical electric energy from PJM for delivery are included in this attachment.

Application for Membership
Between
PJM Interconnection, L.L.C.
and

AP Gas & Electric (IL), LLC
(Company's Name)

This Application for Membership Agreement ("Agreement") is entered into between PJM Interconnection, L.L.C. ("PJM") and ("Applicant"). The purpose of this Agreement is to apply to become a member of the PJM and to participate under the PJM Amended and Restated Operating Agreement, Third Revised Rates Schedule FERC No. 24 ("Operating Agreement"). The Applicant has read and understands the terms and conditions of the Operating Agreement. The Applicant agrees to accept the concepts and obligations set forth in this Agreement and the Operating Agreement posted on the PJM website at: <http://www.pjm.com/documents/agreements/pjm-agreements.aspx>.

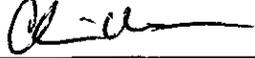
The Applicant also commits to supply data required for coordination of planning and operating, including data for capacity accounting, and agrees to pay all costs and expenses in accordance with the Operating Agreement and all other applicable costs under the PJM Open Access Transmission Tariff ("Tariff"). Such costs include but are not limited to: (i) payment obligations under Schedule 3 of the Operating Agreement; (ii) costs under Schedule 9 of the PJM Tariff; and (iii) potential default allocation payment obligations pursuant to Section 15.2 of the Operating Agreement (PJM may, under the Operating Agreement, declare members in default for not paying their invoices. If that occurs, PJM may pursue collection of the overdue invoices that exceed the collateral PJM holds from the defaulting member as well as take steps to terminate the defaulting members' membership. According to the Operating Agreement, all members are required to pay a portion of the payment default that exceeds the defaulting member's collateral held by PJM.)

The Applicant will pay the annual fee of \$5,000 for the remainder of the year of application upon notification of PJM application approval per Schedule 3.

The Applicant recognizes that it shall become a member of PJM effective as of the date that the Applicant receives the supplement to the Operating Agreement in the form prescribed in Schedule 4 of the Operating Agreement signed by the Applicant and countersigned by the President of PJM pursuant to section 11.6 of the Operating Agreement.

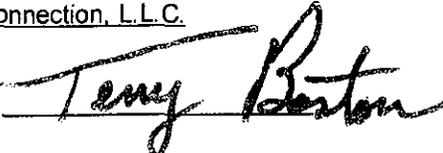
This Agreement will remain in effect until notice of termination is given in writing by the authorized representative of either the Applicant or PJM. Any financial obligations must be satisfied prior to termination of the Applicant's obligations and responsibilities under the PJM Agreement.

Applicant:

Signature: 

Name: Chris Weaver Title: CFO Date: 2/22/2011

PJM Interconnection, L.L.C.

Signature: 

Name: Terry Boston Title: President & CEO Date: 3/18/2011

SCHEDULE 4

STANDARD FORM OF AGREEMENT TO BECOME A MEMBER OF THE LLC

Any entity which wishes to become a Member of the LLC shall, pursuant to Section 11.6 of this Agreement, tender to the President an application, upon the acceptance of which it shall execute a supplement to this Agreement in the following form:

Additional Member Agreement

1. This Additional Member Agreement (the "Supplemental Agreement"), dated as of 3/18/2011, is entered into among AP Gas & Electric (IL), LLC and the President of the LLC acting on behalf of its Members.

2. AP Gas & Electric (IL), LLC has demonstrated that it meets all of the qualifications required of a Member to the Operating Agreement. If expansion of the PJM Region is required to integrate AP Gas & Electric (IL), LLC's facilities, a copy of Attachment J from the PJM Tariff marked to show changes in the PJM Region boundaries is attached hereto. AP Gas & Electric (IL), LLC agrees to pay for all required metering, telemetering and hardware and software appropriate for it to become a member.

3. AP Gas & Electric (IL), LLC agrees to be bound by and accepts all the terms of the Operating Agreement as of the above date.

4. AP Gas & Electric (IL), LLC hereby gives notice that the name and address of its initial representative to the Members Committee under the Operating Agreement shall be:

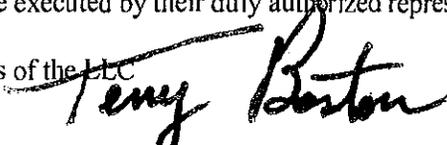
Jeffrey Chen, 6161 Savoy Drive, Suite 500, Houston, TX 77036

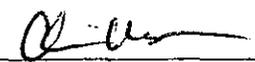
5. The President of the LLC is authorized under the Operating Agreement to execute this Supplemental Agreement on behalf of the Members.

6. The Operating Agreement is hereby amended to include AP Gas & Electric (IL), LLC as a Member of the LLC thereto, effective as of March 18, 2011, the date the President of the LLC countersigned this Agreement.

IN WITNESS WHEREOF, AP Gas & Electric (IL), LLC and the Members of the LLC have caused this Supplemental Agreement to be executed by their duly authorized representatives.

Members of the LLC

By: 
Name: Terry Boston
Title: President & CEO

By: 
Name: Chris Weaver
Title: CFO

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: April 30, 2004

Effective: May 1, 2004

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

By: 

Company Name: AP Gas & Electric LLC, LLC

Date: 3/9/11