

[Liability Provisions from California ISO Transmission Control Agreement]

22. LIABILITY

22.1. Liability for Damages.

Except as provided for in Section 13.3.14 of the ISO Tariff and subject to Section 22.4 no Party to this Agreement shall be liable to any other Party for any losses, damages, claims, liability, costs or expenses (including legal expenses) arising from the performance or non-performance of its obligations under this Agreement except to the extent that its negligent performance of this Agreement (including intentional breach) results directly in physical damage to property owned, operated by or under the operational control of any of the other Parties or in the death or injury of any person.

22.2. Exclusion of Certain Types of Loss.

No Party shall be liable to any other party under any circumstances whatsoever for any consequential or indirect financial loss (including but not limited to loss of profit, loss of earnings or revenue, loss of use, loss of contract or loss of goodwill) resulting from physical damage to property for which a party may be liable under Section 22.1.

22.3. ISO's Insurance.

The ISO shall maintain insurance policies covering part or all of its liability under this Agreement with such insurance companies and containing such policy limits and deductible amounts as shall be determined by the ISO Governing Board from time to time. The ISO shall provide all Participating TOs with details of all insurance policies maintained by it pursuant to this Section 22 and shall have them named as additional insureds to the extent of their insurable interest.

22.4. Participating TOs Indemnity.

Each Participating TO shall indemnify the ISO and hold it harmless against all losses, damages, claims, liability, costs or expenses (including legal expenses) arising from third party claims due to any act or omission of that Participating TO except to the extent that they result from intentional wrongdoing or negligence on the part of the ISO or of its officers, directors or employees. The ISO shall give written notice of any third party claims against which it is entitled to be indemnified under this Section to the Participating TOs concerned promptly after becoming aware of them. The Participating TOs who have acknowledged their obligation to provide a full indemnity shall be entitled to control any litigation in relation to such third party claims (including settlement and other negotiations) and the ISO shall, subject to its right to be indemnified against any resulting costs, cooperate fully with the Participating TOs in defense of such claims.