

135 FERC ¶ 61,191
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

PJM Interconnection, L.L.C.

Docket No. ER11-3285-000

ORDER GRANTING LIMITED WAIVER

(Issued May 27, 2011)

1. On April 4, 2011, PJM Interconnection, L.L.C. (PJM) filed a request for a limited waiver, effective June 1, 2011, to allow PJM to install a read-only terminal in the secure control room of Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc. (Duke Entities) to support reliability operations prior to the Duke Entities' integration into PJM.¹ PJM seeks the waiver to treat the Duke Entities as if they were already PJM Transmission Owners under Section 18.17.6 of the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (Operating Agreement). As discussed below, the Commission grants the requested waiver.

I. Background and Request for Limited Waiver

2. PJM states that in preparation for the Duke Entities' integration into PJM, PJM requires the ability to install a read-only terminal in the Duke Entities' secure control facility located in Cincinnati, Ohio in advance of the integration cutover date to support reliability operations between PJM and the new PJM Duke Zone. PJM explains that the terminal will allow the Duke Entities to view PJM's real-time information in advance of the cutover date to validate the Duke transmission zone's model in PJM's Energy

¹ On June 25, 2010, the Duke Entities submitted a filing in Docket No. ER10-1562-000 to request permission to move from the Midwest Independent Transmission System Operator, Inc. (Midwest ISO) to PJM, effective January 1, 2012. The Commission issued an order on October 21, 2010 conditionally accepting Duke's Regional Transmission Organization (RTO) realignment proposal. *Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc.*, 133 FERC ¶ 61,058 (2010).

Management System (EMS) to prepare for real-time operations on the integration cutover date.

3. PJM explains that Section 18.17.6 of PJM's Operating Agreement allows PJM to install read-only terminals with access to PJM's EMS in any Transmission Owner's secure control room without Members' consent, which is otherwise required prior to PJM's release of any generator cost, price or other market information without written authorization pursuant to section 18.17.1(c) of the Operating Agreement.² PJM explains that the data and information produced by PJM's EMS are confidential and/or commercially sensitive because it will display the real-time status of electric transmission lines and generation facilities.

4. PJM requests that the Commission grant PJM a limited waiver, effective June 1, 2011, allowing PJM to install a read-only terminal in the secure control room of the Duke Entities, as if the Duke Entities were already PJM Transmission Owners under section 18.17.6. PJM explains that the terminal needs to be installed prior to summer operations, i.e. by June 1, 2011, to ensure it is functioning properly prior to the actual cutover date and to allow for the Duke Entities' operators to be trained to use the terminal. PJM states that the Duke Entities have already signed the Operating Agreement and a letter agreement making the Duke Entities contractually bound to comply with the terms and conditions of section 18.17.6 of the Operating Agreement as if they were already PJM Transmission Owners.

5. PJM asserts that good cause exists to grant the waiver request because PJM is acting in good faith, and the waiver request is limited in time and scope, addresses a concrete problem, and will not have undesirable consequences.

II. Notice of Filing

6. Notice of the filing was published in the *Federal Register*, 76 Fed. Reg. 21,734 (2011), with interventions and protests due on or before April 25, 2011. Timely motions to intervene were filed by American Municipal Power, Inc. and Duke Energy Corporation. No comments or protests were filed. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2011), the timely,

² Section 18.17.1(c) of the Operating Agreement permits the Office of Interconnection to release "a Member's confidential data or information to a third party provided that the Member has delivered to the Office of the Interconnection and/or the PJM Market Monitor specific, written authorization for such release setting forth the data or information to be released, to whom such release is authorized, and the period of time for which such release shall be authorized."

unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

III. Commission Determination

7. We find that good cause exists to grant PJM's request for limited waiver. The waiver will support reliable operations by allowing PJM to install a read-only terminal in Duke Entities' secure control facility to ensure it is functioning properly prior to the cutover date and to allow the Duke Entities' operators to be trained to use the terminal. Furthermore, PJM is acting in good faith, and the waiver request is for a limited time period leading up to the Duke Entities' integration, addresses a concrete problem in order to support reliability, and will not have undesirable consequences, such as harming third parties. Accordingly, we will grant the requested waiver.

The Commission orders:

PJM's request for limited waiver is hereby granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.