

150 FERC ¶ 61,054
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

January 30, 2015

In Reply Refer To:
PJM Interconnection, L.L.C. and
Baltimore Gas & Electric Company
Docket No. ER15-536-000

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Dear Ms. Foley and Mr. Guy:

1. On December 1, 2014, pursuant to section 205 of the Federal Power Act (FPA)¹ PJM Interconnection, L.L.C. (PJM) submitted, on behalf of Baltimore Gas & Electric Company (BGE),² proposed revisions to Attachment H-2A of the PJM Open Access Transmission Tariff (PJM OATT) to revise BGE's wholesale transmission formula rate. BGE proposes revisions to its formula rate pursuant to its request for pre-granted abandonment recovery for costs of a Dedicated Facilities Project in the event the project is abandoned. In this order, we approve the proposed revisions to the PJM OATT, establishing pre-granted abandonment cost recovery authority for the Dedicated Facilities Project, effective February 2, 2015, as requested.

¹ 16 U.S.C. § 824d (2006).

² BGE's filing is drafted by its parent company, Exelon Corporation.

2. In a previous order,³ the Commission approved the tariff records for the Dedicated Facilities Project, but denied BGE's request to "allow it to recover costs of the Dedicated Facilities Project if it is cancelled or if the load discontinues service before all costs have been fully depreciated," i.e., pre-granted abandonment cost recovery authority.⁴ The May 2012 Order's denial was without prejudice to BGE submitting specific tariff or contract provisions that would allow the Commission to determine whether the proposal is just and reasonable.⁵ BGE claims that the instant filing meets that standard.

3. BGE represents that the load being served by the LSE under the contract supports its request for pre-granted abandonment cost recovery.

4. BGE further represents that the costs of any abandonment will be borne solely by the LSE and will not be charged to other customers of BGE in the event of non-payment by the LSE or load. BGE argues "that these submissions fully satisfy the requirement in the May [2012] Order by which Exelon's pre-granted abandonment authorization request should be granted."⁶ BGE further argues that it does not need to file Statements AA through BM in support of the filing, or make any attestations by a corporate official, as would otherwise be required by section 35.13 of the Commission's regulations.⁷

5. Notice of BGE's Filing was published in the *Federal Register*, 79 Fed. Reg. 73,061 (2014), with interventions and comments due on or before December 22, 2014. None have been filed.

6. Based on the specific circumstances presented in BGE's instant filing, we will grant BGE's request for recovery of all prudently-incurred costs associated with the potential future abandonment of the Dedicated Facilities Project, subject to conditions as discussed below. Any abandonment must be a result of factors beyond the control of BGE, which must be demonstrated in a subsequent section 205 filing for recovery of abandoned plant. In that future filing, BGE also will be obligated to confirm that, as it currently asserts, the financial burden of any abandonment would fall on the LSE, and not on other customers of BGE or other PJM market participants.

³ *PJM Interconnection, L.L.C.*, 139 FERC ¶ 61,136 (2012) (May 2012 Order).

⁴ *Id.* P 18.

⁵ *Id.*

⁶ BGE Filing at 5.

⁷ 18 C.F.R. § 35.13 (2014).

7. Furthermore, in that section 205 filing, BGE will be required to submit its proposed accounting for the abandoned cost in accordance with the Uniform System of Accounts, as adopted by the Commission in 18 C.F.R. Part 101, as those regulations stand at that time. Under the Uniform System of Accounts, a public utility is required to record in Account 182.2, Unrecovered Plant and Regulatory Study Costs, the cost of plant facilities where construction has been cancelled or which have been prematurely retired. The instructions to this account also require that any gains or recoveries related to the cancelled or prematurely retired plant be recorded in this account.⁸ In the instant filing, BGE does not specifically explain how it will account for the cost of an abandonment loss. In any filing for abandonment cost recovery related to the Dedicated Facilities Project, BGE shall specifically state how the applicant proposes to account for the abandoned costs. Any tariff records filed in connection with abandonment cost recovery related to the Dedicated Facilities Project must reference the appropriate accounts under the Uniform System of Accounts.

8. Finally, in its proposed tariff revisions, BGE states that in proceeding with any abandonment it will comply “Per FERC Order;” this phrase is used as a placeholder reference for the instant order. We direct BGE, within 30 days of the date that this order issues, to file revised tariff records that replace the phrase “Per FERC Order,” with the official citation of the instant order.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

⁸ See 18 C.F.R. Part 101 (2014).