154 FERC ¶ 61,060
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 29, 2016

In Reply Refer To:
PJM Interconnection, L.L.C.
Baltimore Gas and Electric Company
Potomac Electric Power Company
Delmarva Power & Light Company
Atlantic City Electric Company
Docket No. ER16-456-000

Steptoe & Johnson, LLP
1330 Connecticut Ave., NW
Washington, DC 20036

Attention: Gary A. Morgans

Dear Mr. Morgans:

1. On December 3, 2015, PJM Interconnection, L.L.C. (PJM) and the Respondents in Docket Nos. EL13-480-003 and EL15-27-002 (Baltimore Gas and Electric Company, Potomac Electric Power Company, Delmarva Power & Light Company and Atlantic City Electric Company) (collectively, PJM and Respondents), made a filing revising the protocols contained in Respondents' formula rates for Network Integration Transmission Service under PJM Interconnection, L.L.C.'s Open Access Transmission Tariff (OATT), to comply with the Commission's November 3, 2015 order approving a partial settlement that resolved all formula rate protocols issues in the consolidated complaint proceeding.[1] As relevant here, the Commission's order directed Respondents to include Post-Employment Benefits other than Pensions (PBOP) expense as a line item in the formula rate and to furnish, in each Annual Update, a worksheet for the PBOP expense that

[1] *Del. Div. of the Pub. Advocate v. Baltimore Gas and Elec. Co.*, 153 FERC ¶ 61,140 (2015).

provides appropriate cost support and documentation, so that the calculation is transparent and replicable, consistent with the Commission's standards.[2]

2. In their compliance filing, PJM and Respondents proposed to revise Attachment H of the OATT to include, as a worksheet, a blank template that, when annually populated, will identify: (1) Total Form No. 1 Administrative and General Expense; (2) Form No. 1 Account 926 (Employee pensions and benefits) Expense; (3) Account 926 PBOP expense in the current rate year; and (4) Account 926 PBOP expense in the prior rate year.[3] Respondents did not propose to include PBOP expense as a line item in their formula rates.

3. Notice of the compliance filing was published in the *Federal Register*, 80 Fed. Reg. 76,446 (2015), with comments due on December 24, 2015. No parties filed comments.

4. The Commission finds that PJM and Respondents' proposed revisions to Attachment H do not comply with the Commission's directive that Respondents add a separate PBOP expense line item to their formula rates.

5. Accordingly, we direct PJM and Respondents to file, within 30 days, a revised Attachment H that inserts into the formula rates, as a subset below the "Total A&G" that appears on line 68, a line item for PBOP expense that is included in Account 926.

6. We further reiterate that when annually populated, PJM and Respondents' proposed template must comply with the Commission's standards, by ensuring that the PBOP calculation is transparent and replicable.[4] To do so, PJM and Respondents must,

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[2] *Id.* PP 6-7 (citing *Midwest Indep. Tranmsission Sys. Operator, Inc.*, 143 FERC ¶ 61,149, at P 83 (2013), *reh'g denied*, 146 FERC ¶ 61,209 (2014)).

[3] Attachment H at 16.

[4] *See* n.2, *supra.*

at a minimum, furnish cost support for the change in Account 926 PBOP expense from the prior rate year to the current rate year, and provide a narrative that explains the change.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.