

123 FERC ¶ 61,235
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 30, 2008

In Reply Refer To:
Allegheny Electric Cooperative, Inc.
v. PJM Interconnection, L.L.C.
Docket Nos. EL07-56-001 and EL07-56-002

Organization of PJM States, Inc.
v. PJM Interconnection, L.L.C.
Docket Nos. EL07-58-001 and EL07-58-002

PJM Interconnection, L.L.C.
1200 G Street, NW, Suite 600
Washington, DC 20005

Attention: Craig Glazer
Vice President, Federal Government Policy

Reference: Motion to Extend Implementation Date

Dear Mr. Glazer:

1. On May 12, 2008, PJM Interconnection, L.L.C (PJM) submitted a motion to extend the implementation date for the provision of external market monitoring services,¹ and the effective date of related revisions to the PJM Open Access Transmission Tariff

¹ Market monitoring services are to be provided through a contract between PJM and Monitoring Analytics, LLC (Monitoring Analytics), an entity formed by PJM's current market monitor, Dr. Joseph E. Bowring.

(Tariff) and the Amended and Restated Operating Agreement (Operating Agreement).² The Commission grants PJM's motion.

2. PJM requests that the Commission extend the implementation date of the external market monitoring services by Monitoring Analytics under the Settlement Agreement. Specifically, PJM seeks to extend the implementation date to between June 1, 2008 and December 1, 2008.³ PJM states that, although Monitoring Analytics and PJM have cooperated fully in the transition to the external market monitor and the process has moved forward efficiently and expeditiously, the logistical details involved, including the testing of computer systems and preparation of office space requires additional time in order to finalize the transition. PJM and Monitoring Analytics state that they are committed to completing the transition as soon as possible,⁴ and that they believe such an extension will provide sufficient time to complete the transition.

3. To facilitate the change in implementation date, the service agreement between PJM and Monitoring Analytics (Market Monitoring Services Agreement) requires a change to the definition of the commencement date.⁵ The six year term of the Market Monitoring Services Agreement begins on the commencement date. PJM and Monitoring Analytics have included an executed amendment with the required changes as an attachment to its motion. Further, PJM states that the Tariff and Operating Agreement, accepted to be effective June 1, 2008 in the March 21, 2008 Order, should have the same effective date as the implementation date of the external market monitoring services. PJM states that it will inform the Commission of the actual effective date of the implementation of the external market monitoring services, and will submit Tariff and Operating Agreement sheets with the revised effective dates to reflect the actual implementation date.

² On March 21, 2008, the Commission approved a settlement agreement and related documents that resolved all issues designated for settlement discussions (Settlement Agreement). The March 21, 2008 Order accepted revisions to the Tariff and Operating Agreement to be effective on June 1, 2008.

³ PJM states that Dr. Bowring supports this request.

⁴ Monitoring Analytics is required to give 30 days notice to PJM prior to implementation of external market monitoring services.

⁵ In a compliance filing to the March 21, 2008 Order, PJM has also submitted, under separate cover, the Market Monitoring Services Agreement as a rate schedule consistent with the requirements of Order No. 614. The compliance filing will be addressed in a separate order.

4. PJM and Monitoring Analytics have engaged in good faith efforts to complete the transition to external market monitoring services, however, additional time is required to complete the transition activities. These activities include establishing new office space, and purchasing, installing and testing computer systems. The Commission finds that PJM's request to extend the implementation of the external market monitoring services represents a reasonable extension of the time required to complete the transition. As PJM states, such an extension will not reduce the term for external market monitoring services established by the Settlement Agreement.

5. The Commission grants the motion to extend the implementation of the external market monitoring services, and the effective date of the revisions to the Tariff and the Operating Agreement, as accepted by the March 21, 2008 Order to be effective on June 1, 2008 is extended. PJM is directed to file revised Tariff and Operating Agreement sheets 30 days prior to when external market monitoring services are to be provided consistent with the Market Monitoring Services Agreement.

By direction of the Commission.

Kimberly D. Bose,
Secretary.