

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell and Joseph T. Kelliher,

Pennsylvania-New Jersey-Maryland Interconnection	Docket Nos. OA97-261-009 and ER97-1082-010
Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, and Metropolitan Edison Company	Docket No. ER97-3189-036
Pennsylvania Electric Company, Pennsylvania Power & Light Company, Potomac Electric Power Company, Public Service Electric and Gas Company, Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, and Metropolitan Edison Company	Docket No. EC97-38-007
Pennsylvania Electric Company, Pennsylvania Power & Light Company, Potomac Electric Power Company, Public Service Electric and Gas Company, and Pennsylvania-New Jersey- Maryland Interconnection Restructuring	Docket No. ER97-3273-007
Pennsylvania-New Jersey-Maryland Interconnection Restructuring	Docket No. EL97-44-007
PJM Interconnection, L.L.C.	Docket No. OA97-678-007

Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power & Light Company, Potomac Electric Power Company, and Public Service Electric and Gas Company

Docket Nos. ER96-2516-010, EC96-28-009 and EL96-69-009

PECO Energy Company

Docket Nos. ER96-2668-009 and EC96-29-009

ORDER ACCEPTING COMPLIANCE FILING

(Issued July 9, 2004)

1. On January 20, 2004, as amended on January 23, 2004, PJM Interconnection, L.L.C. (PJM) and certain of the PJM transmission owners (PJM TOs) (collectively the Settling Parties) submitted a Modified Settlement Agreement in compliance with a Commission order issued December 18, 2003.¹ For the reasons discussed below, we will accept the Modified Settlement Agreement, without revision, to be effective October 6, 2003.

Background

2. In the PJM Settlement Order, we approved the Settlement Agreement, as originally filed, as it relates to the Settling Parties' division of their respective filing rights under section 205 of the Federal Power Act (FPA).² However, we modified that portion of the Settlement Agreement precluding Commission review of a neutral party's determinations regarding filing rights disputes. We also modified the Settling Parties' proposed provision addressing a TO's withdrawal rights from PJM. The Commission noted that withdrawal from PJM can only be effectuated pursuant to a revision of the operating agreements giving rise to PJM and thus must be subject to a section 205 filing.

¹ Pennsylvania-New Jersey-Maryland, Interconnection, et al., 105 FERC ¶ 61,294 (2003)(PJM Settlement Order).

² 16 U.S.C. § 824d (2000).

We also stated that withdrawal from PJM cannot be shielded from all review under section 205. Finally, we directed the Settling Parties to make a compliance filing addressing both issues in the form of a revised Settlement Agreement.

3. In their compliance filing, the Settling Parties state that the Modified Settlement Agreement fully complies with the PJM Settlement Order. Specifically, the Settling Parties propose to revise section 5.3(v) of the Transmission Owners Agreement to make clear that interested parties will be permitted to file a complaint with the Commission seeking review of a neutral party's determinations regarding the Settling Parties' respective section 205 filing rights. Further, the Settling Parties propose to revise sections 3.2 of the Transmission Owners Agreement and section 4.1(c) of the PJM Operating Agreement to make clear that the filing required to be made by a party to either agreement to effect a withdrawal from PJM shall be made pursuant to section 205. Finally, the Settling Parties propose various conforming changes, including revisions to the PJM Open Access Transmission Tariff (PJM OATT).

Responsive Pleadings

4. Comments on the Modified Settlement Agreement, and the revised tariff sheets included therein, were required to be filed by interested parties on or before February 9, 2004. No responsive pleadings were filed.

Discussion

5. The Settling Parties state that the Modified Settlement Agreement includes tariff sheets modifying the PJM Transmission Owners Agreement, the PJM Operating Agreement and the PJM OATT. The Settling Parties further state that these proposed revisions fully comply with the requirements set forth by the Commission in the PJM Settlement Order. We agree. Accordingly, we will accept the Settling Parties' compliance filing to be effective October 6, 2003, as requested.

The Commission orders:

The Settling Parties' compliance filing is hereby accepted for filing, as discussed in the body of this order.

By the Commission. Commissioner Kelly not participating.

(S E A L)

Linda Mitry,
Acting Secretary.