

124 FERC ¶ 61,241  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

September 18, 2008

In Reply Refer To:  
PJM Interconnection, L.L.C.  
Docket Nos. ER06-456-014  
ER06-954-010  
ER06-1271-009  
ER07-424-005

PJM Interconnection, L.L.C.  
1200 G Street, NW, Suite 600  
Washington, DC 20005-3802

Attention: Carrie L. Bumgarner  
Counsel for PJM Interconnection, L.L.C.

Reference: Compliance Filing on Regional Transmission Expansion Plan Cost  
Allocations

Dear Ms. Bumgarner:

1. On March 7, 2008,<sup>1</sup> the Commission issued an order conditionally accepting proposed revisions to PJM Interconnection, L.L.C.'s (PJM) cost allocation assignments set forth in Schedule 12-Appendix of the PJM Open Access Transmission Tariff to reflect cost responsibility for at or above 500 kV transmission enhancements and expansions included in the PJM Regional Transmission Expansion Plan (RTEP) on a region-wide rather than on a beneficiary pays basis. The March 7, 2008 Order required PJM to submit a compliance filing demonstrating that the cost allocation assignments were consistent with the tariff provisions accepted in Opinion No. 494-A.<sup>2</sup> On April 21, 2008, PJM

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<sup>1</sup> *PJM Interconnection, L.L.C.*, 122 FERC ¶ 61,217 (2008) (March 7, 2008 Order).

<sup>2</sup> *PJM Interconnection, L.L.C.*, Opinion No. 494, 119 FERC ¶ 61,063 (2007); *order on reh'g and compliance filing*, Opinion No. 494-A, 122 FERC ¶ 61,082; *order denying reh'g*, 124 FERC ¶ 61,033 (2008).

Interconnection, L.L.C. (PJM) submitted a compliance filing in response to the Commission's March 7, 2008 Order.

2. PJM explains that thirty-two of the projects at issue consist entirely of facilities eligible for region-wide cost allocation. PJM also explains that five of the projects consist of both regional facilities and lower voltage facilities that are not necessary to support the higher voltage facilities. Specifically, PJM explains that the lower voltage facilities included in these projects consist of 500/230 kV and 500/138 kV non-integral transformers, and 230 kV and 138 kV circuits, which are all lower voltage facilities that deliver energy to load. Additionally, PJM provides more detail on five projects that Old Dominion Electric Cooperative had argued in its protest of the proposed revisions should be entitled to regional cost allocation. Regarding these projects, PJM explains that all of these projects are lower voltage facilities, step-down transformers that are not integral to regional facilities, or projects that have been cancelled.

3. Notice of this filing was published in the *Federal Register* with comments, protests or interventions due on or before May 12, 2008. Comments were filed by Exelon Corporation (Exelon). Exelon comments on the five projects that consist of both regional facilities and lower voltage facilities. Exelon states that although PJM identifies broad categories within the five projects that will operate at 500 kV and that will operate below 500 kV, it is left to the transmission owners to provide the split between the 500 kV and above and the below 500 kV facilities. Exelon requests that the Commission require the transmission owners and PJM to make a filing that specifically describes the facilities and related costs that are split between the region-wide allocation and the lower voltage allocation prior to billing customers for those facilities.

4. PJM has sufficiently demonstrated that it applied the region-wide cost allocation methodology approved in Opinion No. 494 to its revised cost allocation assignments, and we accept PJM's compliance filing. Exelon requests further information regarding the "split" cost responsibility assignments for five specific projects. In Opinion No. 494-A, the Commission required PJM to identify the facilities required for construction of projects qualifying for region-wide cost allocation.<sup>3</sup> We believe that this obligation should provide Exelon with the information it seeks regarding the cost responsibility

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<sup>3</sup> Opinion No. 494-A, 122 FERC ¶ 61,082 at 89.

assignments of such facilities. We also note that this information should be available through PJM's transmission planning process. Accordingly, we deny Exelon's requests.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.