

IARRs for RTEP Upgrades Allocated for 2009/2010 Planning Period

Effective with the annual ARR allocation for the 2009/2010 planning period, Incremental Auction Revenue Rights (“IARRs”) will be allocated to Responsible Customers that have been assigned cost responsibility for upgrades included in the PJM RTEP that are at or above 500 kV (“Regionally Assigned Facilities”). Responsible Customers are transmission customers and merchant transmission facility owners that are assigned cost responsibility for upgrades included in the PJM RTEP pursuant to Schedule 12 of the PJM Tariff. PJM calculates IARRs for each Regionally Assigned Facility and allocates the IARRs, if any are created by the upgrade, to eligible Responsible Customers based on the percentage cost responsibility assigned to Responsible Customers.

For the annual ARR allocation for the 2009/2010 planning period, the IARR defined in Table 1 will be allocated to Responsible Customers based on the percentage cost responsibility shown in Table 2. Each network customer within a zone is allocated a share of the IARRs identified for each zone based on their percentage share of the network service peak load of the zone. The Responsible Customer may decline to accept the IARR allocation during the annual ARR allocation process. **These IARRs will be allocated to each Responsible Customer unless the Responsible Customer elects to decline the allocation. The election to decline the allocated IARR must be made via the eFTR system during the Stage 1A ARR nomination period .**

Table 1
RTEP Upgrade IARR allocated for 2009/2010 Annual ARR Allocation

Project #	Project Description	IARR Parameters		
		IARR Source Point	IARR Sink Point	Total IARR MW
B0287	Install 600 MVAR Dynamic Reactive Device @ Elroy 500kV	“RTEP B0287 Source” (1)	DPL	190.6

(1) “RTEP B0287 Source” is a new aggregate comprised of an equal 10% weighting of the following 10 Pnodes: MUDDYRN 13 KV Unit1, MUDDYRN 13 KV Unit2, MUDDYRN 13 KV Unit3, MUDDYRN 13 KV Unit4, MUDDYRN 13 KV Unit5, MUDDYRN 13 KV Unit6, MUDDYRN 13 KV Unit7, MUDDYRN 13 KV Unit8, PEACHBOT 22 KV UNIT02 and PEACHBOT 22 KV UNIT03.

Table 2
Percentage Allocation of IARR of Table 1 for 2009/2010 Planning Period

Responsible Customer	% Allocation
AE	1.89%
AEP	17.30%
APS	6.02%
BGE	4.95%
ComEd	14.97%
Dayton	2.50%
Duquesne	2.02%
Delmarva	2.85%
Dominion	13.61%
JCPL	4.50%
MetEd	2.18%
Neptune	0.49%
PECO	6.31%
Penelec	2.06%
PEPCO	4.82%
PPL	5.37%
PSEG	7.61%
Rockland	0.31%
East Coast Power	0.24%

Allocated IARRs associated with regionally assigned RTEP upgrades are separate from allocated ARRAs associated with network transmission service and long-term firm point-to-point transmission service. However, like ARRs associated with firm transmission service, IARRs associated with RTEP upgrades may be self-scheduled as an FTR purchase into Round 1 of the annual FTR auction and are subject to daily shifting within a zone as load shifts within a zone.