

## **IARRs for RTEP Upgrades Allocated for 2010/2011 Planning Period**

Incremental Auction Revenue Rights (“IARRs”) are allocated to Responsible Customers that are assigned cost responsibility for RTEP upgrades that meet certain criterion. Responsible Customers include network service customers and merchant transmission facility owners. PJM calculates and allocates the IARRs, if any are created by the upgrade, based on the percentage cost responsibility assigned to Responsible Customers.

For the annual ARR allocation for the 2010/2011 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 2010/2011 Annual ARR Allocation**

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

(1) “RTEP B0287 Source” is an 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 2010/2011 Planning Period**

<b>Responsible Customer</b>	<b>% Allocation</b>
AE	1.99%
AEP	17.96%
APS	6.27%
BGE	4.85%
ComEd	15.61%
Dayton	2.46%
Duquesne	2.01%
Delmarva	2.83%
Dominion	13.34%
JCPL	4.22%
MetEd	2.09%
Neptune	0.50%
PECO	5.88%
Penelec	2.11%
PEPCO	4.65%
PPL	5.60%
PSEG	7.12%
Rockland	0.27%
East Coast Power	0.24%

Allocated IARRs associated with regionally assigned RTEP upgrades are separate from allocated ARRs 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.