

**IARRs for RTEP Upgrades Allocated for 2011/2012 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 2011/2012 planning period, the IARRs defined in Table 1 will be allocated to Responsible Customers based on the percentage cost responsibility shown in Table 3. 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 IARRs allocated for 2011/2012 Annual ARR Allocation**

| Project # | Project Description                                    | IARR Parameters                    |                 |         |
|-----------|--|------------------------------------|-----------------|---------|
|           |  | IARR Source Point<br>(See Table 2) | IARR Sink Point | IARR MW |
| B0287     | Install 600 MVAR Dynamic Reactive Device @ Elroy 500kV | RTEP B0287 SOURCE                  | DPL             | 190.6   |
| B0328     | Trail Project: 502 JCT – Loudoun 500 kV                | RTEP B0328 SOURCE                  | PEPCO           | 391.2   |
| B0329     | Carson-Suffolk 500 kV                                  | RTEP B0329 SOURCE                  | DOM             | 96.4    |

**Table 2**  
**RTEP aggregate source definitions.**  
**Aggregates are weighted at 10% of each pricing node.**

|                   |          |       |        |
|-------------------|----------|-------|--------|
| RTEP B0287 SOURCE | 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 |
|                   | PEACHBOT | 22 KV | UNIT03 |

|                   |          |       |       |
|-------------------|----------|-------|-------|
| RTEP B0328 SOURCE | BATHCO   | 20 KV | GM1   |
|                   | GREENGAP | 35 KV | G1    |
|                   | HARR APS | 20 KV | GEN 1 |
|                   | HARR APS | 20 KV | GEN 2 |
|                   | HARR APS | 20 KV | GEN 3 |
|                   | MTSTORM4 | 13 KV | GT1   |
|                   | MTSTORM4 | 22 KV | G1    |
|                   | MTSTORM4 | 22 KV | G2    |
|                   | MTSTORM4 | 22 KV | G3    |
|                   | NBRANCH  | 13 KV | G1    |

|                   |          |         |          |
|-------------------|----------|---------|----------|
| RTEP B0329 SOURCE | GRAVLNK  | 13 KV   | GT3      |
|                   | GRAVLNK  | 13 KV   | GT4      |
|                   | GRAVLNK  | 13 KV   | GT5      |
|                   | GRAVLNK  | 13 KV   | GT6      |
|                   | GRAVLNK  | 13 KV   | GTS      |
|                   | SURRY4   | 22 KV   | G1       |
|                   | WINCHEST | 35 KV   | BETHELLF |
|                   | COGENTRX | 230 KV  | NUG      |
|                   | HCF      | 13.8 KV | GT1      |
|                   | HCF      | 13.8 KV | GT2      |

**Table 3**  
**Percentage Allocation of IARRs of Table 1 for 2011/2012 Planning Period**

| <b>Responsible Customer</b> | <b>% Allocation</b> |
|-----------------------------|---------------------|
| AE                          | 2.09%               |
| AEP                         | 16.70%              |
| APS                         | 6.03%               |
| BGE                         | 4.92%               |
| ComEd                       | 15.58%              |
| Dayton                      | 2.41%               |
| Duquesne                    | 2.05%               |
| Delmarva                    | 2.88%               |
| Dominion                    | 13.61%              |
| JCPL                        | 4.56%               |
| MetEd                       | 2.09%               |
| Neptune                     | 0.49%               |
| PECO                        | 6.30%               |
| Penelec                     | 2.11%               |
| PEPCO                       | 4.73%               |
| PPL                         | 5.27%               |
| PSEG                        | 7.65%               |
| Rockland                    | 0.31%               |
| East Coast Power            | 0.22%               |

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.