

Zonal Cost Allocation For Retaining Hudson Unit 1 Generator

2009 Zonal Cost Allocation

(To be used for the January 1, 2009 through August 31, 2009 timeframe)

The 2009 reliability problems that would occur if the Hudson 1 unit retired prior to the summer of 2009 are

- Contingency overload on Athenia – Saddle Brook 230 kV circuit
- Contingency overload on Branchburg – Readington 230 kV circuit
- Contingency overload on Whippany – Roseland 230 kV circuit
- Contingency overload on Cedar Grove – Roseland “B” 230 kV circuit
- Contingency overload on Cedar Grove – Roseland “F” 230 kV circuit

At the time of this posting the anticipated reinforcements would be

- Reconductor Athenia – Saddle Brook 230 kV circuit
- Reconductor Branchburg – Readington 230 kV circuit
- Rebuild Whippany – Roseland 230 kV circuit
- Convert Roseland – NJT Meadow “D” 138 kV circuit to 230 kV and terminate at Hudson 230 kV

Based on PJM’s assessment of the contribution to the need for, and benefits expected to be derived from, the facilities, the zonal percentage cost allocation for 2009 (January 1, 2009 through August 31, 2009 timeframe) is

Company Name	Allocation
Public Service Electric and Gas Company	100%

2010 Zonal Cost Allocation

(To be used for the September 1, 2009 through August 31, 2010 timeframe)

The 2010 reliability problems that would occur if the Hudson 1 unit retired prior to the summer of 2010 are

- Contingency overload on Athenia – Saddle Brook 230 kV circuit
- Contingency overload on Branchburg – Readington 230 kV circuit
- Contingency overload on Whippany – Roseland 230 kV circuit
- Contingency overload on Cedar Grove – Roseland “B” 230 kV circuit
- Contingency overload on Cedar Grove – Roseland “F” 230 kV circuit
- Contingency overload on Cedar Grove – Clifton “K” 230 kV circuit
- Contingency overload on Kittatinny – Newton 230 kV circuit
- Contingency overload on Greystone - Whippany 230 kV circuit

At the time of this posting the anticipated reinforcements would be

- Reconductor Athenia – Saddle Brook 230 kV circuit
- Reconductor Branchburg – Readington 230 kV circuit
- Rebuild Whippany – Roseland 230 kV circuit
- Convert Roseland – NJT Meadow “D” 138 kV circuit to 230 kV and terminate at Hudson 230 kV
- Reconductor the JCPL section of the Kittatinny – Newton 230 kV circuit
- Reconductor the Greystone – Whippany 230 kV circuit

Based on PJM’s assessment of the contribution to the need for, and benefits expected to be derived from, the facilities, the zonal percentage cost allocation for 2010 (September 1, 2009 through August 31, 2010 timeframe) is

Company Name	Allocation
Atlantic City Electric Company	1%
Jersey Central Power and Light Company	5%
PECO Energy Company	1%
Public Service Electric and Gas Company	93%