

Zonal Cost Allocation For Retaining Hudson 1 Generator

2011 and 2012 Zonal Cost Allocation

(To be used for the September 1, 2010 through August 31, 2012 timeframe)

The 2012 reliability problems that would occur if the Hudson 1 unit retired prior to the summer of 2012 are:

- Contingency overload on West Wharton – Greystone 230 kV circuit
- Contingency overload on Kittatinny – Newton 230 kV circuit
- Contingency overload on Glendon – Gilbert 115 kV circuit
- Contingency overload on Roseland – West Caldwell “D” 138 kV circuit
- Contingency overload on Roseland – West Caldwell “G” 138 kV circuit
- Contingency overload on Cedar Grove “F” – Clifton “K” 230 kV circuit
- Contingency overload on Larrabee – Atlantic 230 kV circuit

At the time of this posting the anticipated reinforcements would be:

- Construct a Susquehanna – Roseland 500 kV circuit
- Convert the existing 'D1304' and 'G1307' 138 kV circuits between Roseland - Kearny- Hudson to 230 kV operation
- Replace disconnect switches at Larrabee and Atlantic stations

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 2011 and 2012 (September 1, 2010 through August 31, 2012 timeframe) is:

Company Name	Allocation
Atlantic City Electric Company	0.55%
Commonwealth Edison Company	1.93%
Jersey Central Power and Light Company	8.01%
Neptune Regional Transmission System, LLC	3.65%
Pennsylvania Electric Company	2.00%
East Coast Power, LLC	2.84%
Hudson Transmission Partners, LLC	10.56%
Public Service Electric and Gas Company	67.78%
Rockland Electric Company	2.68%