

Zonal Cost Allocation For Retaining Cromby 2 Generator

2012 Zonal Cost Allocation

(To be used for the September 1, 2011 through August 31, 2012 timeframe)

The 2012 reliability problems that would occur if the Cromby 2 unit retired prior to the summer of 2012 are:

- Contingency voltage violation at Perkiomen substation
- Contingency voltage violation at Heaton substation
- Contingency voltage violation at Cromby substation

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

- Add circuit breakers to the Perkiomen – North Wales 138 kV line and Perkiomen – Cromby 138 kV line. Add 35 MVAR 138 kV capacitor bank at Perkiomen substation.
- Add second 230/138 kV transformer at Heaton substation. Add circuit breaker on the Heaton – North Wales 138 kV line. Add 35 MVAR 138 kV capacitor bank at Heaton substation.
- Replace 230/69 kV transformer #6 at Cromby substation with new higher rated transformer. Add two 50 MVAR 230 capacitor banks at Cromby substation.

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

| Company Name | Allocation |
|---------------------|-------------------|
| PECO Energy Company | 100% |