

Section 8: Expansion Cost Recovery Accounting

Welcome to the *Expansion Cost Recovery Accounting* section of the **PJM Manual for Open Access Transmission Tariff Accounting**. In this section, you will find the following information:

- An overview of the Expansion Cost Recovery accounting process (see “*Expansion Cost Recovery Accounting Overview*”).
- How charges for Expansion Cost Recovery are calculated (see “*Expansion Cost Recovery Charges*”).
- How credits for Expansion Cost Recovery are calculated (see “*Expansion Cost Recovery Credits*”).

Expansion Cost Recovery Accounting Overview

Effective May 1, 2005, customers using Point-to-Point and Network Integration Transmission Service to serve load in the ComEd, AEP, and Dayton transmission zones paid an Expansion Cost Recovery Charge. Effective November 1, 2005 (retroactive to May 1, 2005), customers using Point-to-Point and Network Integration Transmission Service to serve load in all PJM transmission zones paid an Expansion Cost Recovery Charge on a “per MWh” basis as ordered by FERC. Effective June 1, 2006 (retroactive to May 1, 2005), customers using Point-to-Point and Network Integration Transmission Service to serve load in all PJM transmission zones (except in the Dominion Virginia Power zone) pay an Expansion Cost Recovery Charge on a “per MW-month” peak load basis as defined by the PJM Open Access Transmission Tariff. The PJM accounting process calculates each Customer’s Expansion Cost Recovery charge. The collected Expansion Cost Recovery charges are then allocated as credits in accordance with Schedule 13 of the PJM Open Access Transmission Tariff.

Expansion Cost Recovery Charges

- Each Network Integration Transmission or Point-to-Point load-serving Customer in the AEP, Dayton, and ComEd zones are billed each month a charge equal to [a \\$/MW-month rate as shown in the PJM Guide to Billing \(maintained at http://www.pjm.com/markets-and-operations/market-settlements/~media/markets-ops/settlements/custgd.ashx\)](http://www.pjm.com/markets-and-operations/market-settlements/~media/markets-ops/settlements/custgd.ashx)5-29 times the average of their network service peak load contributions (including losses) across all days in the applicable month. Each Network Integration Transmission or Point-to-Point load-serving Customer in the other transmission zones (except for the Dominion zone) are billed each month a charge equal to [a \\$/MW-month rate as shown in the PJM Guide to Billing \(maintained at http://www.pjm.com/markets-and-operations/market-settlements/~media/markets-ops/settlements/custgd.ashx\)](http://www.pjm.com/markets-and-operations/market-settlements/~media/markets-ops/settlements/custgd.ashx)2-54 times the average of their network service peak load contributions (including losses) across all days in the applicable month.

Expansion Cost Recovery Credits

- PJM shall distribute all revenues collected under Expansion Cost Recovery charges each calendar month as set forth in Schedule 13 of the PJM Open Access



Transmission Service Tariff. Based on the percentage allocations in Schedule 13, revenues are allocated to ComEd, AEP, and Dayton transmission owners.

Section 9: Billing

Welcome to the *Billing* section of the ***PJM Manual for Open Access Transmission Tariff Accounting***. In this section, you will find the following information:

- A summary of the billing process for the PJM Open Access Transmission Tariff (see “*Billing Process Overview*”).

Billing Process Overview

A single billing statement is issued monthly by the PJM to each PJM customer account. The bill details all charges and credits under the PJM Operating Agreement and the PJM Open Access Transmission Tariff for the month, as they apply to that customer account. The billing statement presents a net amount due from or due to the customer. Weekly billing statements are also issued for certain line items. The [PJM Manual for Billing \(M-29\)](#) describes the billing process in detail.

The PJM Open Access Transmission Tariff related billing statement line items that are described in this manual are as follows:

- PJM Scheduling, System Control and Dispatch Service (charges, and load reconciliation charges)
- TO Scheduling, System Control and Dispatch Service (charges/credits, and load reconciliation charges)
- Reactive Supply and Voltage Control from Generation and Other Sources Service (charges/credits)
- Energy Imbalance Service (charges/credits)
- Network Integration Transmission Service (charges/credits)
- Network Integration Transmission Service Offset (charges/credits)
- Direct Assignment Facilities (charges/credits)
- Other Supporting Facilities (charges/credits)
- Firm Point-to-Point Transmission Service (charges/credits)
- Non-Firm Point-to-Point Transmission Service (charges/credits)
- Black Start Service (charges/credits)
- Expansion Cost Recovery (charges/credits)
- RTO Start-up Cost Recovery (charges/credits)
- Generation Deactivation (charges/credits)
- MMU (charges, and load reconciliation charges)
- FERC (charges, and load reconciliation charges)
- OPSI (charges, and load reconciliation charges)
- NERC (charges, and load reconciliation charges)

- RFC (charges, and load reconciliation charges)
- RPM Auction (charges/credits)
- Locational Reliability (charges)
- Interruptible Load for Reliability (charges)
- Capacity Transfer Rights (credits)
- Incremental Capacity Transfer Rights (credits)
- Non-Unit Specific Capacity Transaction (charges/credits)
- Generation Resource Rating Test Failure (charges/credits)
- Capacity Resource Deficiency (charges/credits)
- Peak Season Maintenance Compliance Penalty (charges/credits)
- Peak-Hour Period Availability (charges/credits)
- Demand Resource and ILR Compliance Penalty (charges/credits)
- Qualifying Transmission Upgrade Compliance Penalty (charges/credits)
- [Load Management Test Failure \(charges/credits\)](#)