

Cost Allocation for Network Upgrade costs less than \$5 million

- During 2008 the stakeholders approved change to cost allocation
- Tariff and Manual language modifications resulted from change
- PJM has identified that the Manual language change not consistent with intent of changes approved in 2008

Individual Local & Network Upgrades which cost less than \$5,000,000

All Interconnection Customers with active Interconnection Requests in an individual New Services Queue will be allocated a cost for these System Upgrades based upon the following criteria:

- Contingent to the individual Interconnection Request contributing MW impact being greater than 5 MW AND greater than 1% of the applicable line rating **OR (if its Distribution Factor (DFAX) on the facility is greater than 5% AND its MW impact on the facility's rating is greater than 3%)**, the contribution of an Interconnection Customer is determined by the voltage level of the facility that it impacts:
 - For a transmission facility whose rated voltage level is below 500 kV, an Interconnection Customer/Developer will have some cost allocation if its Distribution Factor (DFAX) on the facility is greater than 5% OR if its MW impact on the facility's rating is greater than 5%.
 - For a transmission facility whose rated voltage level is 500 kV or above, an Interconnection Customer/Developer will have some cost allocation if its DFAX on the facility is greater than 10% OR if its MW impact on the facility's rating is greater than 5%.