Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Compliance Filing of the PJM Transmission Owners

Midwest Independent Transmission System Operator, Inc., Docket No. ER05-6-__
Midwest Independent Transmission System Operator, Inc.
PJM Interconnection, L.L.C., et al., Docket No. EL04-135-__
Midwest Independent Transmission System Operator, Inc.
PJM Interconnection, L.L.C., et al., Docket Nos. EL02-111-__, and
Ameren Services Company, et al., Docket Nos. EL03-212-__

Dear Ms. Bose:

In compliance with the Order on Initial Decision issued in the above-referenced proceedings on May 21, 2010 by the Federal Energy Regulatory Commission ("Commission"),¹ the PJM Transmission Owners Agreement Administrative Committee submits for filing the attached revisions to PJM Interconnection, L.L.C.’s ("PJM") Open Access Transmission Tariff ("PJM Tariff") ("Compliance Filing").² The revisions to the PJM Tariff reflect adjustments and corrections to the lost revenues and calculations of the Seams Elimination Charge/Cost Adjustments/Assignment ("SECA") set forth in Attachments R and X to the PJM Tariff for each of the applicable effective dates during the 16-month SECA transitional rate periods: (1) December 1, 2004; (2) January 1, 2005; (3) April 1, 2005; (4) May 1, 2005; and (5) January 1, 2006.

I. Background

² Some transmission owners participating in this Compliance Filing have sought rehearing of the Order and do not intend to waive any rehearing rights by participation in this Compliance Filing.
These proceedings have a lengthy history, arising out of a series of Commission orders regarding the integration of certain transmission-owning utilities into either PJM or the Midwest Independent Transmission System Operator, Inc. (“Midwest ISO”). As a condition of accepting certain transmission-owning utilities’ decisions to join either PJM or the Midwest ISO, the Commission directed the two regional transmission organizations (“RTO”) to eliminate rates associated with service through or out of one RTO to serve load in the other RTO, i.e., regional through-and-out rates (“RTORs”).3 The Commission subsequently accepted SECA as a transitional rate mechanism to recover, through the imposition of charges to load serving entities (“LSEs”), revenues that are lost due to the elimination of RTORs.4 The Commission directed the Midwest ISO and PJM to submit compliance filings containing the transitional SECA surcharge, to be effective for a 16-month transition period running from December 2004 through the end of March 2006.5

In directing the submission of the SECA compliance filings, the Commission determined that the transitional rate recovery mechanism should be based on the most recent historical data available—a 2002 test-year (applicable to the first four months of the transition period), and a 2003 test-year (applicable to the final twelve months of the transition period).6 The Commission eventually set each of the SECA compliance filings for hearing in these proceedings. Specifically, the Commission accepted and set for hearing the compliance filings associated with the five distinct SECA transitional rate periods: (1) December 1, 2004 through December 31, 2004; (2) January 1, 2005 through March 31, 2005; (3) April 1, 2005 through December 31, 2005; (4) May 1, 2005 through December 31, 2005; and (5) January 1, 2006 through March 31, 2006. Appendix L contains a chart identifying each compliance filing submitted by the PJM Transmission Owners corresponding to each rate period.

Following the submission of testimony and evidentiary hearings, the Presiding Administrative Law Judge issued an Initial Decision on August 10, 2006.7 On May 21, 2010, the Commission issued its Order on Initial Decision, which among other things, directed the Midwest ISO and PJM Transmission Owners to work cooperatively and submit compliance filings revising the SECA charges in accordance with the Commission’s directives.8

---

6 Id.
8 Order at P 491.
Transmission Owners coordinated after working collaboratively with the Midwest ISO transmission owners to develop this Compliance Filing and shared a draft of the filing with the Midwest ISO transmission owners. The Midwest ISO transmission owners provided a copy of a draft transmittal letter and affidavit from Alan Heintz to the PJM transmission owners, but did not provide copies of the Midwest ISO tariff sheet changes. The PJM Transmission Owners prepared and hereby submit this Compliance Filing.

II. DOCUMENTS SUBMITTED

The following items are enclosed with this letter:

| Affidavit Dr. J. Stephen Henderson (Dr. Henderson’s workpapers are provided in the enclosed CD) | Appendix A |
| Revised Tariff sheets for Attachment X and Attachment R, effective December 1, 2004 | Appendix B |
| Redlined Tariff sheets for Attachment X and Attachment R, effective December 1, 2004 | Appendix C |
| Revised Tariff sheets for Attachment X and Attachment R, effective January 1, 2005 | Appendix D |
| Redlined Tariff sheets for Attachment X and Attachment R, effective January 1, 2005 | Appendix E |
| Revised Tariff sheets for Attachment X and Attachment R, effective April 1, 2005 | Appendix F |
| Redlined Tariff sheets for Attachment X and Attachment R, effective April 1, 2005 | Appendix G |
| Revised Tariff sheets for Attachment X and Attachment R, effective May 1, 2005 | Appendix H |

---

9 See Affidavit of J. Stephen Henderson at P____ (“Henderson Affidavit”)
Redlined Tariff sheets for Attachment X and Attachment R, effective May 1, 2005 | Appendix I

Revised Tariff sheets for Attachment X and Attachment R, effective January 1, 2006 | Appendix J

Redlined Tariff sheets for Attachment X and Attachment R, effective January 1, 2006 | Appendix K

SECA Compliance Filings submitted by PJM Transmission Owners in Docket Nos. ER05-6-001 et al. | Appendix L

III. SUMMARY OF FILING

The Order directed both the PJM Transmission Owners and Midwest ISO Transmission Owners to submit “[c]ompliance filings to revise the SECA charges to adopt the adjustments ordered herein are due within 90 days of the date of this order.” In compliance, PJM Transmission Owners submit revisions to Attachment R and Attachment X of the PJM Tariff to revise the SECA charges at issue in these proceedings. As discussed above, the revisions to Attachment R and Attachment X are applicable to the five effective dates. Accordingly, revised and redlined versions of Attachments R and X are included corresponding to each effective date.

The underlying changes to the SECA calculations set forth in the revised Attachments R and X are consistent with the Order and are described in the attached Affidavit of Dr. J. Stephen Henderson. Dr. Henderson explains that, prior to making the SECA adjustments directed by the Commission, it was necessary first to make certain corrections to the underlying SECA models that were previously presented in his Prepared Direct Testimony submitted in these proceedings.11

10 Id.

11 See Prepared Direct Testimony and Exhibits of J. Stephen Henderson submitted in these proceedings as Exhibit No. PTO-1 on August 29, 2005. Most of the corrections and adjustments made involve minor coding matters that had no effect on the average rates of the PJM Transmission Owners or on the SECA charges for PJM LSEs. The corrections, which ensure the integrity of the SECA charges, are consistent with the Order, which stated with approval:

Mr. Heintz and Dr. Henderson made numerous adjustments in order to improve the North American Electric Reliability Corporation tag data, and all of the relevant underlying information has been made available for parties to review as part of the record of these proceedings, which provides parties with the ability to
The specific corrections and adjustments to the underlying SECA calculations made by Dr. Henderson in compliance with this requirement are described in his Affidavit.  In making these necessary corrections, Dr. Henderson coordinated with the Midwest ISO Transmission Owners’ representative, Mr. Alan Heintz. As the Commission acknowledged, these adjustments and corrections were made available to the parties for verification as part of these proceedings and provide the starting point from which Dr. Henderson has made the adjustments to the SECA charges required by the Commission’s Order.

Specifically, Dr. Henderson made the following changes to the calculations underlying the SECA charges (which are reflected in the revised Attachments R and X of the PJM Tariff) as ordered by the Commission:

1. removed “revenues associated with in-out transactions from the numerator of the average rate such that the inputs for “the numerator of the average rate correspond to the inputs for the denominator”

2. subtracted $12,893,916 from the “numerator of the PJM average rate calculation for the 2003 test period.”

3. adjusted SECA values to reflect generation control-area hubbing adjustments for Duke Energy North America and Allegheny Power.

4. removed certain grandfathered transactions (for deliveries by Ameren and PJM to AMP-Ohio) from the lost revenue calculations.

verify the calculations and an opportunity to propose adjustments, as needed, to improve the accuracy of the SECA.

Order at P 152.

12 Affidavit of J. Stephen Henderson at P ____ ("Henderson Affidavit") at P ____.

Henderson Affidavit at P ____, complying with Order at P 152. The result of this adjustment is summarized in Table 1 of Dr. Henderson’s Affidavit. American Electric Power Service Corporation, Exelon Corporation and The Dayton Power and Light Company have sought rehearing of the Order’s ruling concerning in-out revenues and do not intend to waive any rehearing rights by submitting this Compliance Filing.

Henderson Affidavit at P ____, complying with Order at P 155. The result of this adjustment is summarized in Table 2 of Dr. Henderson’s Affidavit.

Henderson Affidavit at P ____, complying with Order at P 157
incorporated an adjustment to eliminate the deliveries by PJM to Old Dominion Electric Cooperative of 2003 test-period MWh associated with an expired Ironwood contract.\textsuperscript{17}

(6) adjusted Ormet’s monthly SECA obligation “to reflect the reduction between its average monthly coincident-peak load during the applicable test year and its actual coincident-peak load during each month of the transition period.”\textsuperscript{18}

(7) adjusted Quest Energy LLC’s (“Quest”) SECA obligation for certain deliveries to North Star because Quest did not serve these loads during the transition period.\textsuperscript{19}

(8) adjusted the Quest/WPS Energy SECA obligation in the FirstEnergy (“FE”) zone for deliveries to serve Northern Ohio Aggregation Coalition (“NOAC”) load in the test period that was no longer served in the transition period.\textsuperscript{20}

(9) adjusted CMS Energy’s SECA obligation for deliveries to sink code MECS.DECO.CMSZ that was not served by CMS Energy during the transition period.\textsuperscript{21}

(10) adjusted the Green Mountain Energy Company SECA obligation to reflect that it did not serve load in the FE zone from January 2006 through March 2006.\textsuperscript{22}

(11) shifted the remainder of the Green Mountain SECA obligation, \textit{i.e.}, the first 13 months of the obligation, to BP Energy.\textsuperscript{23}

(12) shifted the Michigan SCPA SECA obligation to Constellation Energy Commodities Group, Inc. (“CCG”).\textsuperscript{24}

\textsuperscript{16}Henderson Affidavit at P ____, \textit{complying with} Order at P 180.

\textsuperscript{17}Henderson Affidavit at P ____, \textit{complying with} Order at P 323. The result of this adjustment is summarized in Table 3 of Dr. Henderson’s Affidavit.

\textsuperscript{18}Henderson Affidavit at P ____, \textit{complying with} Order at P 325. The result of this adjustment is summarized in Table 4 of Dr. Henderson’s Affidavit.

\textsuperscript{19}Henderson Affidavit at P ____, \textit{complying with} Order at P ___.

\textsuperscript{20}Henderson Affidavit at P ____, \textit{complying with} Order at P 326.

\textsuperscript{21}Henderson Affidavit at P ____, \textit{complying with} Order at P 327.

\textsuperscript{22}Henderson Affidavit at P ____, \textit{complying with} Order at P 328.

\textsuperscript{23}Henderson Affidavit at P ____, \textit{complying with} Order at PP 421-424.
(13) shifted the SECA obligation of the Six Michigan Cities to CCG.\(^{25}\)

The underlying changes to the calculations of the SECA values by Dr. Henderson are reflected in the revised Tariff sheets submitted with this Compliance Filing. Finally, other minor/clarifying Tariff changes have been made to accurately reflect the current status of the proceedings and appropriate cross-references.

IV. COMMUNICATIONS

Please direct all communications and correspondence concerning this filing to the following:

Steven A. Weiler
Brian M. Meloy
Leonard, Street and Deinard, PA
1350 I Street, NW, Suite 800
Washington, DC 20005
(202) 346-6900 (telephone)
(202) 346-6901 (facsimile)
steve.weiler@leonard.com

V. CONCLUSION

The PJM Transmission Owners Agreement Administrative Committee respectfully requests that the Commission accept the enclosed revisions to the Tariff sheets as in full compliance with the Order.

Respectfully submitted,

Steven A. Weiler
Brian M. Meloy
Leonard, Street and Deinard, PA
1350 I Street, NW, Suite 800
Washington, DC 20005
(202) 346-6900 (telephone)

\(^{24}\) Henderson Affidavit at P ____, complying with Order at PP 375-379.

\(^{25}\) Henderson Affidavit at P ____, complying with Order at P 385.
APPENDIX A

AFFIDAVIT OF J. STEPHEN HENDERSON
APPENDIX B

REVISED COPY OF TARIFF SHEETS
EFFECTIVE DECEMBER 1, 2004
APPENDIX C

REDLINED COPY OF TARIFF SHEETS
EFFECTIVE DECEMBER 1, 2004
APPENDIX E

REDLINED COPY OF TARIFF SHEETS
EFFECTIVE JANUARY 1, 2005
APPENDIX F

REVISED COPY OF TARIFF SHEETS
EFFECTIVE APRIL 1, 2005
APPENDIX G

REDLINED COPY OF TARIFF SHEETS
EFFECTIVE APRIL 1, 2005
APPENDIX H

REVISED COPY OF TARIFF SHEETS
EFFECTIVE MAY 1, 2005
APPENDIX I

REDLINED COPY OF TARIFF SHEETS
EFFECTIVE MAY 1, 2005
APPENDIX J

REVISED COPY OF TARIFF SHEETS
EFFECTIVE JANUARY 1, 2006
APPENDIX K

REDLINED COPY OF TARIFF SHEETS
EFFECTIVE JANUARY 1, 2006
APPENDIX L

SECA COMPLIANCE FILINGS SUBMITTED IN DOCKET NOS. ER05-6-001, et al.
APPENDIX L
SECA COMPLIANCE FILINGS SUBMITTED BY PJM TRANSMISSION OWNERS
IN DOCKET NOS. ER05-6-001. et al.

Compliance Filings for December 1, 2004 Effective Date

<table>
<thead>
<tr>
<th>DATE OF FILING</th>
<th>DESCRIPTION</th>
<th>ORDER CONDITIONALLY ACCEPTING FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2007</td>
<td>Errata to reflect revenue distribution resolution language</td>
<td>Letter Order dated 6/19/07</td>
</tr>
</tbody>
</table>
APPENDIX L
SECA COMPLIANCE FILINGS SUBMITTED BY PJM TRANSMISSION OWNERS
IN DOCKET NOS. ER05-6-001. et al.

Compliance Filings for January 1, 2005 Effective Date

<table>
<thead>
<tr>
<th>DATE OF FILING</th>
<th>DESCRIPTION</th>
<th>CITATION TO ORDER CONDITIONALLY ACCEPTING FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2007</td>
<td>Errata to reflect revenue distribution resolution language</td>
<td>Letter Order dated 6/19/07</td>
</tr>
</tbody>
</table>

Compliance Filings for April 1, 2005 Effective Date

<table>
<thead>
<tr>
<th>DATE OF FILING</th>
<th>DESCRIPTION</th>
<th>CITATION TO ORDER CONDITIONALLY ACCEPTING FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2007</td>
<td>Errata to reflect revenue distribution resolution language</td>
<td>Letter Order dated 6/19/07</td>
</tr>
</tbody>
</table>
APPENDIX L
SECA COMPLIANCE FILINGS SUBMITTED BY PJM TRANSMISSION OWNERS
IN DOCKET NOS. ER05-6-001. et al.

Compliance Filings for May 1, 2005 Effective Date

<table>
<thead>
<tr>
<th>DATE OF FILING</th>
<th>DESCRIPTION</th>
<th>CITATION TO ORDER CONDITIONALLY ACCEPTING FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2007</td>
<td>Errata to reflect revenue distribution resolution language</td>
<td>Letter Order dated 6/19/07</td>
</tr>
</tbody>
</table>

Compliance Filings for January 1, 2006 Effective Date

<table>
<thead>
<tr>
<th>DATE OF FILING</th>
<th>DESCRIPTION</th>
<th>CITATION TO ORDER CONDITIONALLY ACCEPTING FILING</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2007</td>
<td>Errata to reflect revenue distribution resolution language</td>
<td>Letter Order dated 6/19/07</td>
</tr>
</tbody>
</table>