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November 14, 2011

**VIA ELECTRONIC FILING**

Honorably Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1-A  
Washington, D.C. 20426

Re: *PJM Interconnection, L.L.C.*; Docket No. ER06-78-\_\_\_\_\_  
Informational filing

Dear Secretary Bose:

PJM Interconnection, L.L.C. (“PJM”) hereby submits to the Federal Energy Regulatory Commission (“FERC” or the “Commission”) an informational filing setting forth the 2012 annual budget of the Organization of PJM States, Inc. (“OPSI”) as required under Schedule 9-OPSI of PJM’s Open Access Transmission Tariff (“PJM Tariff”).

On October 28, 2005, and as amended November 3, 2005, PJM filed an amended to the PJM Tariff proposing to create a new Schedule 9-OPSI to provide a funding mechanism for OPSI which would allow PJM to collect OPSI’s annual budget from PJM Members pursuant to a dedicated formula rate. The Commission approved the proposed PJM Tariff amendments, allowing them to become effective January 1, 2006.<sup>1</sup>

As set forth in Schedule 9-OPSI, each year OPSI develops its budget for the following calendar year and submits a proposed budget to the PJM Finance Committee for comment. Once comments have been received and addressed, a final budget is submitted to PJM who, in turn, is required to submit the final budget to the Commission for information and post the budget and resulting rate on PJM’s website.<sup>2</sup>

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<sup>1</sup> *PJM Interconnection, L.L.C.*, 113 FERC ¶ 61,292 (December 20, 2005).

<sup>2</sup> Except in those instances where the final annual budget includes an increase of greater than fifteen percent above the budget on file for the current calendar year, in which PJM shall submit the budget to the Commission for review and approval.

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In consideration of the foregoing, PJM respectfully requests that the Commission accept the annual informational filing included herein. If you should have any questions, please do not hesitate to contact me.

Respectfully submitted,



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**OPSI BUDGET**  
**2012**



## Organization of PJM States, Inc. (OPSI)

President: **Hon. Dallas Winslow**, Commissioner, Delaware PSC  
Vice President: **Hon. Paul A. Centolella**, Commissioner, PUC of Ohio  
Secretary: **Hon. Mary W. Freeman**, Commissioner, Tennessee RA  
Treasurer: **Hon. Richard E. Morgan**, Commissioner, District of Columbia PSC

### Members:

Delaware Public Service Commission • District of Columbia Public Service Commission • Illinois Commerce Commission  
Indiana Utility Regulatory Commission • Kentucky Public Service Commission • Maryland Public Service Commission  
Michigan Public Service Commission • New Jersey Board of Public Utilities • North Carolina Utilities Commission  
Public Utilities Commission of Ohio • Pennsylvania Public Utility Commission • Tennessee Regulatory Authority  
Virginia State Corporation Commission • Public Service Commission of West Virginia.

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September 16, 2011  
(As email attachment only)

Suzanne Daugherty  
VP, CFO & Treasurer, PJM  
and Chair, PJM Finance Committee

Re: OPSI's Final Budget for 2012

Dear Suzanne,

Yesterday, the OPSI Board of Directors at its Monthly Board Meeting approved its final budget for calendar year 2012. The information is listed in Table 1 on page 2, with the understanding that the categories in the table are guidelines only.

This letter meets the requirements of PJM's tariff Schedule 9-OPSI by which OPSI receives its funds. The increase from 2011 to 2012 is \$66,911. This is an increase of 12.4%, which is less than the 15% limit over which would require review and approval of the Federal Energy Regulatory Commission. Some of the major cost drivers are a financial audit (alternate year); anticipated increases in health care costs; possible salary increases (none for two years); increases in travel costs, e.g., attendance in PJM Symposium(s) and participation in the PJM planning process as a result of FERC Order 1000.

OPSI's Treasurer, Commissioner Richard Morgan will be available via telephone for the Finance Committee meeting on September 22 and I will attend in person to respond to any comments/clarifications. If there any questions prior to that, please feel free to contact me via email or telephone at any time.

As always, I appreciate your and Jim's assistance in this matter.

Sincerely,

*/s/ Rajnish Barua*

Executive Director, OPSI

cc: Jim Snow, PJM

**TABLE 1: OPSI's Budget for Calendar Year (CY) 2012**

	CY 2011	<b>CY 2012</b>	Change from 2011 to 2012	Percent change: 2011 to 2012	Comments
<b>Office Operations</b>	47,428	<b>57,039</b>	9,611	20.3%	Financial audit in 2012.
<b>Consultants / Reporting Service</b>	50,000	<b>50,000</b>	0	0.0%	No change.
<b>Payroll</b>	197,301	<b>204,601</b>	7,300	3.7%	Anticipated increases in health care costs; possible salary increases.
<b>Travel/Meetings</b>	246,200	<b>296,200</b>	50,000	20.3%	Attendance in PJM Symposium and participation in the PJM planning process as a result of FERC Order 1000.
<b>TOTAL</b>	\$540,929	<b>\$607,840</b>	\$66,911	<b>12.4%</b>	Less than 15% maximum.