



PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Eric Scherling
Associate General Counsel
T: (267) 853-3494 | F: (610) 666-8211
Eric.Scherling@pjm.com

May 12, 2026

Honorable Debbie-Anne Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E. Room 1A
Washington, D.C. 20426

*Re: PJM Settlement, Inc., Docket No. ES26-32-000
Supplemental Filing of Corrected Exhibit E to Application of PJM Settlement, Inc. under
Section 204 of the Federal Power Act and Request for Shortened Comment Period*

Dear Secretary Reese:

PJM Settlement, Inc. (“PJM Settlement”) hereby submits its corrected Exhibit E (Statement of Cash Flows and Computation of Interest Coverage) to its application (“Application”), filed on March 20, 2026 and supplemented on April 21, 2026, pursuant to Section 204 of the Federal Power Act¹ and Part 34 of the regulations of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. Part 34.

As set forth in the Application, PJM Settlement requests a Commission order authorizing: (1) PJM Settlement to guaranty obligations of PJM Interconnection, L.L.C. (“PJM”) in an amount not exceeding \$250 million (PJM’s total current available Commission-authorized borrowing capacity); and (2) PJM Settlement to provide a line of credit to PJM in an amount not exceeding the cash that PJM Settlement holds due to remittances from Market Participants that PJM Settlement is not yet obligated to disburse, in an amount not to exceed \$250 million.

The sole change to Exhibit E is to correct an error in the computation of pro forma interest coverage for PJM. That correction does not affect the authority requested through the Application,

¹ 16 U.S.C. § 824c.

the basis for seeking such authority, or the conclusions supported by the Application and the accompanying Exhibits.

As such, PJM Settlement respectfully requests a shortened comment period of seven (7) days, as PJM Settlement continues to request a Commission order on the Application no later than May 22, 2026, with an effective date of May 25, 2026. The requested May 25, 2026 effective date, immediately following the expiration of the current Section 204 authorization on May 24, 2026, is intended to ensure continuity of authorization maximizing the full two-year authorization period permissible under Section 204 of the Federal Power Act.

Respectfully submitted,

/s/ Eric Scherling
Eric Scherling
2750 Monroe Boulevard
Audubon, PA 19403
(267) 853-3494
eric.scherling@pjm.com

Attorney for PJM Settlement, Inc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 12th day of May, 2026.

/s/ Eric Scherling
Eric Scherling
2750 Monroe Boulevard
Audubon, PA 19403
(267) 853-3494
eric.scherling@pjm.com

Exhibit E
PJM Interconnection, L.L.C. Statement of Cash Flows
and
Computation of Interest Coverage

Exhibit E
PJM Interconnection, L.L.C.
Statement of Cash Flows
(\$ in thousands)

	Published Audited Twelve Months Ending 12/31/2025	A Adjustments to Reflect Borrowings to PJM from PJM Settlement	B Adjustments to Reflect Guaranty from PJM Settlement to PJM	ProForma 12/31/2025
NET CASH FLOW FROM OPERATING ACTIVITIES				
Net Income (from Statement of Income)	3,532	-	-	3,532
<i>Noncash Charges (Credits) to Income:</i>				
Depreciation and Depletion	37,679	-	-	37,679
Amortization of Capital Lease	2,451	-	-	2,451
Deferred Income Taxes (Net)	(113)	-	-	(113)
Net (Increase) in Receivables	(13,438)	-	-	(13,438)
Net Increase in Payables and Accrued Expenses	26,364	-	-	26,364
Net (Increase) in Other Regulatory Assets	(18,234)	-	-	(18,234)
Net (Decrease) in Other Regulatory Liabilities	(2,666)	-	-	(2,666)
(Less) Undistributed Earnings from Subsidiary Companies	3,532	-	-	3,532
(Increase) in Accrued Revenue & Prepaids	(2,352)	-	-	(2,352)
Net Cash Provided by Operating Activities	29,691	-	-	29,691
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Gross Additions to Utility Plant	(49,912)	-	-	(49,912)
<i>Cash Outflows for Plant</i>	<i>(49,912)</i>	<i>-</i>	<i>-</i>	<i>(49,912)</i>
Investments in and Advances to Assoc. and Subsidiary Companies	(3,025)	-	-	(3,025)
Contributions and Advances from Assoc. and Subsidiary Companies	5,238	-	-	5,238
Purchase of Investment Securities	(2,163)	-	-	(2,163)
Net Cash (Used In) Investing Activities	(49,862)	-	-	(49,862)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in Customer Deposits	286,200	-	-	286,200
Net Increase in Short-Term Debt	-	174,000	250,000	424,000
Increase in Long Term Derivative Asset	11	-	-	11
<i>Cash Provided by Outside Sources</i>	<i>286,211</i>	<i>174,000</i>	<i>250,000</i>	<i>710,211</i>
Long-term Debt	(2,164)	-	-	(2,164)
Capital Lease Payments	(1,816)	-	-	(1,816)
Net Cash Provided by Financing Activities	282,231	174,000	250,000	706,231
Net Increase in Cash and Cash Equivalents	262,060	174,000	250,000	686,060
Cash and Cash Equivalents at Beginning of Period	1,034,697			1,034,697
Cash and Cash Equivalents at End of Period	1,296,757	174,000	250,000	1,720,757

A For ProForma purposes, borrowings are calculated as the maximum potential borrowings of PJM Interconnection, LLC from PJM Settlement, Inc. under the PJM Settlement, Inc. Line of Credit, as authorized in Docket No. ES24-25-000 (\$180.0 million) in addition to a \$70.0 million requested increase.

B For ProForma purposes, adjustment reflects the maximum potential PJM Settlement, Inc. guaranty from PJM Settlement, Inc. to PJM Interconnection, LLC. The guaranty comprises a \$250 million PNC Bank Line of Credit.

Exhibit E
PJM Interconnection, L.L.C.
Income Statement
(\$in thousands)

Twelve Months
Ended
12/31/2025

Net Income	\$ 3,532
Total Interest Expense	4,890 **
Federal and State Taxes	<u>(522) ***</u>
EBIT	<u>\$ 7,900</u>
Interest Coverage Ratio (EBIT/Total Interest Expense)	1.62 ****

**** Although PJM may not meet the Interest Coverage Ratio requirement, all of the costs of operating PJM Interconnection, LLC including principal and/or depreciation expense, interest expense, and financing costs shall be recovered from users of the various PJM services according to Schedule 9 of PJM's FERC approved Transmission Tariff.

Exhibit E
ProForma Interest Coverage

PJM Interconnection, L.L.C. Income Statement (\$in thousands)	ProForma Twelve Months Ending 12/31/2025
Net Income	\$ (4,124) *
Total Interest Expense	12,546 **
Federal and State Taxes	<u>(522) ***</u>
EBIT	<u><u>\$ 7,900</u></u>
Interest Coverage Ratio (EBIT/Total Interest Expense)	0.63 ****

**** Although PJM may not meet the Interest Coverage Ratio requirement, all of the costs of operating PJM Interconnection, LLC including principal and/or depreciation expense, interest expense, and financing costs shall be recovered from users of the various PJM services according to Schedule 9 of PJM's FERC approved Transmission Tariff.

Exhibit E-2
PJM Settlement, Inc. Statement of Cash Flows
and
Computation of Interest Coverage

Exhibit E-2
PJM Settlement, Inc.
Statement of Cash Flows
(\$ in thousands)

	Published Audited Twelve Months Ending 12/31/2025
NET CASH FLOW FROM OPERATING ACTIVITIES	
Net Income (from Statement of Income)	\$ -
<i>Noncash Charges (Credits) to Income:</i>	
Net (Increase) in Receivables	(4,994)
Net Increase in Payables and Accrued Expenses	181,847
<u>Net Cash Provided by Operating Activities</u>	<u>176,853</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Investments in and Advances to Assoc. and Subsidiary Companies	(5,500)
Contributions and Advances from Assoc. and Subsidiary Companies	-
<u>Net Cash Provided by Investing Activities</u>	<u>(5,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in Customer Deposits	256,150
<u>Net Cash Provided by Financing Activities</u>	<u>256,150</u>
<u>Net Increase in Cash and Cash Equivalents</u>	<u>427,503</u>
<u>Cash and Cash Equivalents at Beginning of Period</u>	<u>2,265,809</u>
<u>Cash and Cash Equivalents at End of Period</u>	<u>\$ 2,693,312</u>

Consistent with past practice, PJM Settlement is not including pro forma adjustments related to PJM Settlement because the PJM Settlement Guaranty and PJM Settlement Line of Credit do not impact PJM Settlement's finances.

Exhibit E-2
PJM Settlement, Inc.
Actual Interest Coverage

Income Statement (\$in thousands)	Actual Twelve Months Ended 12/31/2025
Net Income	\$ -
Total Interest Expense	- *
Federal and State Taxes	<u>-</u>
EBIT	<u><u>\$ -</u></u>
Interest Coverage Ratio (EBIT/Total Interest Expense)	-

PJM Settlement holds cash deposits from members for credit purposes. The interest income earned on these deposits is accounted for on a gross basis in PJM Settlement's Statement of Income. The interest expense has been adjusted to remove the effect of the interest earned on these deposits.