

Gas Contingencies Cost Recovery

Thomas DeVita Sr. Counsel, Office of the General Counsel September 27, 2019



Paragraph (i)

- "Conditions or events" = cyber/physical threats.
- Pre-contingency <u>only</u>.
- Second prong:
 - 1. Add "after the exhaustion of reasonable remedial operational actions in accordance with Good Utility Practice"
 - 2. Change "Manual Load Dump Action" to "thermal or voltage violations, exceeding load dump ratings."
- Built-in temporal limitation = "reconfirm each operating day"



Paragraph (ii)

- Limitation based on IRO-001-4, R2:
 - R1. Each Reliability Coordinator shall act to address the reliability of its Reliability Coordinator Area via direct actions or by issuing Operating Instructions.
 - R2. Each Transmission Operator, Balancing Authority, Generator Operator, and Distribution Provider shall comply with its Reliability Coordinator's Operating Instructions <u>unless compliance with the Operating Instructions cannot be</u> <u>physically implemented or unless such actions would violate safety, equipment,</u> <u>regulatory, or statutory requirements.</u>



Paragraph (iii)

- "Gas Contingency Switching Costs"
 - "but for"
 - not otherwise recoverable under the Tariff or OA due to:
 - absence of recovery mechanism.
 - cost incurrence not reasonably foreseeable.



Paragraph (iv)

• General rule against penalty recovery intact, but door open to present case for recovery of technical or unanticipated penalties if necessary.



Contact Information

Please send comments/revisions to:

Thomas DeVita Sr. Counsel, Office of the General Counsel Direct: (610) 635-3042 Mobile: (610) 314-1298 Thomas.DeVita@pjm.com