

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

Office of Energy Market Regulation

In Reply Refer To:
PJM Interconnection, L.L.C
Docket No. ER08-1016-002
2/10/09

Jacquelynn B. Hugee
PJM Interconnection, L.L.C.
955 Jefferson Avenue
Norristown, PA 19403-2497

Reference: Long-Term Financial Transmission Rights (FTR) Credit Policies

Dear Ms Hugee:

Pursuant to the authority delegated to the Director, Division of Tariffs & Market Development – East, 18 C.F.R. § 375.307, your submittal filed in the above referenced docket is accepted for informational purposes.

On October 23, 2008, in response to the Commission's directive,¹ PJM Interconnection, L.L.C. (PJM) submitted an informational filing explaining how its current financial transmission rights credit requirement takes into account the credit risk associated with long-term financial transmission rights (those with terms greater than one 12-month planning period). PJM explains that the adjusted historical valuation methodology that it uses for financial transmission rights is appropriate for long-term financial transmission rights as well, and that the credit requirement takes into consideration the potential for losses over the extended period of time associated with the long-term financial transmission right.

Notice of the filing was published in the Federal Register with comments, protests or interventions due on or before November 13, 2008. None were filed.

This acceptance for filing shall not be construed as constituting approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which

¹ *PJM Interconnection, L.L.C.*, 124 FERC ¶ 61,087 (2008) at P 16.

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have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against PJM.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Larry D. Gasteiger, Director
Division of Tariffs and Market
Development - East

cc: All Parties

Document Content(s)

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