

Fran,

The TOs' Section 205 Working Group has finalized the attached principles for cost allocation of multi-driver projects. While these principles are similar to proposed principles discussed previously with the RPPTF, there have been some modifications. Also, please note these principles have been adopted at the working group level only to guide the preparation of proposed changes to Schedule 12 of the PJM Tariff. The TOA-AC will have to approve any proposed changes to Schedule 12 that are filed with FERC. However, I believe the principles are indicative of direction the TOA-AC will take in finalizing the proposed Schedule 12 changes. Upon your request, Michelle Henry will be available during the March 25 RPPTF meeting to discuss the principles and I can be available to discuss the TOs' process going forward. Please let Michelle and me know if you would like to add the discussion of the principles and the TOs' process to the March 25 agenda.

The next step in our process will be the development of the proposed changes to Schedule 12. We expect to have the proposed changes approved at the working group level by mid-April and, upon your request, Gary Guy will be available at the April 29 RPPTF meeting to discuss those changes. Please let Gary and me know if you would like to add that discussion to the April 29 agenda.

Randy