

**Notice of Transmission Owners Consultation
with PJM and the Members Committee regarding Proposed Changes
to Schedule 12 for Multi-Driver Project Cost Allocation
(May 22, 2014)**

Pursuant to Section 7.3.2 of the Consolidated Transmission Owners Agreement (CTOA), the Section 205 Working Group of the CTOA Administrative Committee initiated consultation with PJM Interconnection, L.L.C. (PJM) and the PJM Members Committee with regard to proposed changes to Schedule 12 of the PJM Tariff to establish a method of cost allocation for Multi-Driver Projects.

Representatives of the Section 205 Working Group participated in the April 21, 2014 Members Committee Information Webinar and the April 29, 2014 Regional Planning Process Task Force (RPPTF) meeting to explain the proposed changes, respond to questions and hear comments of webinar and meeting participants. In addition, written comments on the proposed changes for consideration by the Section 205 Working Group were requested on or before May 5, 2014. The deadline for written comments was subsequently extended to May 15, 2014 at the request of RPPTF participants.

In anticipation of a scheduled PJM Markets & Reliability Committee endorsement of RPPTF Operating Agreement (OA) Schedule 6 Multi-Driver project provisions, stakeholders requested parallel review of any changes to OATT Schedule 12 Multi Driver project cost allocation provisions resulting from the incorporation of stakeholder comments. While the Section 205 Group continues to consider stakeholder comments and changes to OATT Schedule 12 cost allocation provisions, revised tariff language incorporating stakeholder comments is provided herewith as requested and summarized as follows:

- Added paragraph headings to identify Proportional and Incremental methods of cost allocation
- Removed stipulation of Board approval of project changes required prior to or within the next or current planning cycle
- Removed stipulation of Board approval of project changes based upon unanticipated reliability needs

Written comments are requested to be submitted for consideration by the Section 205 Group by e-mail to: TO_Cost_Allocation@pjm.com on or before June 6, 2014.