



M2M SETTLEMENT ADJUSTMENT FORM

Settlement Adjustment Identifier:

Quad City Settlement Adjustment for Market Flow and Allocations

Settlement Adjustment Justification:

- 1) Market Flow adjustment – PJM calculated Market Flows assuming all Quad Cities tags could be treated as unit specific exports. PJM and MISO agreed to correct Market Flows calculations over this period to utilize 25% of Quad Cities Units capability values as the unit specific exports.
- 2) Allocation adjustment – correct PJM reporting of the Jointly Owned Quad City Units Allocations from 100% to 75% - representing historic unit ownership.

Background and Support:

Time Frame of resettlement:

June 18th 2013 - Dec 18th 2013 (Market Flow Adjustment)

April 6th 2013 - Feb 18th 2014 (FFE Adjustment)

FERC Filings associated:

JOA Impacts/Filings: N/A

Market Flow Adjustments:

On 6/18/13, MISO and PJM deployed a market flow calculation change to address unit specific tag adjustment for Quad City JOUs. With this change PJM began adjusting Quad City units output for both the ownership tags (approx. 230 MW each) as well as the purchase tags (approx. 90 MW each). After subsequent an ADR filing and discussions with MISO, PJM and MEC, it was decided that PJM Market flow calculations were incorrect and needs to be changed to no longer reflect the purchase tags as unit specific. The correction was made on Dec 18th 2013 with agreement to perform a settlement adjustment back to when the discrepancy started (6/18/13).

Allocation Adjustments:

During the April 6th, 2013 Native Network Load (NNL) model update (used in the Allocation Process), PJM updated the Joint Ownership Unit (JOU) share of Quad City Units with 100% of unit impacts being assigned to PJM (ComEd) and 0% to MISO (MEC). MISO and PJM have agreed that the participation factors of these JOU units should be 75% (PJM, ComEd) and 25% (MISO, MEC). On 18th February, 2014 allocation reruns were performed to fix the incorrect share for Quad Cities. MISO and PJM agreed to perform settlement adjustments from April 6, 2013 to Feb 18, 2014, based on correct JOU units share between MISO and PJM.

Original M2M Settlement: \$36,813,303.58 from PJM to MISO (April 6th 2013 to Feb 18th 2014).

Background

Financial Adjustments:

Dollar amount: PJM to MISO; Adjustment of \$11,375,012.44

*Notification levels:

All settlements values will have notification made via website posting

if settlement value is less than \$500K notification will ONLY be made via website notification

if settlement value is between \$500K and \$1M notification will be made at individual RTO stakeholder meetings

If settlement value is greater than \$1M notification will be done at JCM

Direction of Payment: Payment will be made from PJM to MISO

Date of Resettlement: (Proposed Plan) Settlement payment will be broken down into four (4) invoices from MISO to PJM

MISO invoice to PJM #,	Invoice Date,	Amount
1 ,	12/15/2014 ,	~1.7 million
2 ,	01/20/2015 ,	~2.6 million
3 ,	02/17/2015 ,	~3 million
4 ,	03/16/2015 ,	~4 million