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December 20, 2017

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Dockets, Room 1A, East
Washington, D.C. 20426

**Re: *PJM Interconnection, L.L.C.*,
Docket No. ER17-1016-001, Settlement Agreement**

Dear Secretary Bose:

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. § 385.602 (2015), PJM Interconnection, L.L.C., the Illinois Commerce Commission, and Exelon Corporation, on behalf of Commonwealth Edison Company (“ComEd”) and Baltimore Gas and Electric Company (“BGE”), (jointly referred to as “Settling Parties”) hereby submit an executed Settlement Agreement to resolve all issues in these proceedings. The Settlement Agreement is believed to be uncontested.

The Settling Parties request that the Commission approve the Settlement Agreement as fair and reasonable and in the public interest. The Settling Parties further believe that the Settlement Agreement will be uncontested.

INFORMATION SUBMITTED WITH THIS FILING

This submission includes, along with this transmittal letter, the following:

- Explanatory Statement;
- Settlement Agreement;
- Tariff records – Schedule 12 - Appendix (marked); and
- Tariff records - Schedule 12 - Appendix (clean).

COMMENTS

In accordance with Rule 602(f), 18 C.F.R. § 385.602(f), initial comments on the Settlement Agreement are due no later than January 9, 2018, 20 days from the date of this filing. Pursuant to Rule 602(f)(3), 18 C.F.R. § 385.602 (f)(3), any failure to file a comment

constitutes a waiver of all objections to the Settlement Agreement. Reply comments are due January 19, 2018, 30 days from the date of this filing.

SERVICE

Pursuant to Rules 602(d) and 2010 (18 C.F.R. §§ 385.602(d), .2010 (2015)), the Settling Parties have served, either by paper or electronic service, the Settlement Agreement on all parties listed on the official service list compiled by the Secretary in this proceeding and on all other interested persons required to be served by operation of Rule 602(d).

REQUESTED RELIEF

The Settling Parties request that the Settlement Agreement be certified to the Commission for its approval, and that the Commission approve the Settlement Agreement without condition or modification. In accordance with Section 2.3 of the Settlement Agreement, the Settlement Agreement will become effective upon issuance of an order approving the Settlement Agreement without modification, or 15 days after Commission approval with modifications not objected to by any Settling Party or Non-Opposing Party; or earlier if the Commission approves interim rate relief subject to the final disposition of this Settlement Agreement. The Settlement Agreement further provides that the cost allocation provided for herein will be allocated during the current annual formula rate periods of ComEd and BGE, with any necessary reconciliation adjustments to be completed no later than the May/June 2018 billing cycle of the BGE and ComEd formula rate update postings, respectively. Refunds to the ComEd zone will be effectuated for any overpayments between May 1, 2017 and the effective date of the Settlement Agreement within 30 days of receipt of payment.

Thank you for your assistance in this matter.

PJM Interconnection, L.L.C.

By: 
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Exelon Corporation, for itself and on behalf of
ComEd and BGE

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cc: The Honorable David H. Coffman, Presiding Settlement Judge
All Parties

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PJM Interconnection, L.L.C.) Docket No. ER17-1016-___

EXPLANATORY STATEMENT

The Settling Parties submit this Explanatory Statement in support of the Settlement Agreement submitted herewith, resolving all issues set for hearing in the above-captioned proceeding. As set forth in the Settlement Agreement, the Settling Parties are PJM Interconnection, L.L.C. (“PJM”), the Illinois Commerce Commission, and Exelon Corporation on behalf of Commonwealth Edison Company (“ComEd”) and Baltimore Gas and Electric Company (“BGE”).¹

I. BACKGROUND

On February 23, 2017, PJM filed to revise Schedule 12-Appendix of its Open Access Transmission Tariff (“Tariff”) to reflect the allocation of \$1.159 million of Mid-Atlantic Power Pathway (“MAPP”) Project abandonment costs by BGE associated with PJM baseline upgrades b0112.33 and b0512.43, the two MAPP baseline upgrades that had been assigned by PJM to BGE and subsequently cancelled by PJM. This abandonment cost recovery amount was approved and made effective with BGE’s 12-month formula rate annual update period beginning June 1, 2017 by the BGE MAPP cost recovery settlement approved by Commission Letter Order issued July 6, 2016 in Docket No. ER15-2331-000.²

By Letter Order issued on April 26, 2017, the Commission accepted PJM’s proposed Tariff revisions for filing, and suspended the proposed revision for a nominal period, to become

¹ The Delaware Public Service Commission and the Maryland Public Service Commission are Non-Opposing Parties. To the best knowledge of the Settling Parties, the Settlement Agreement is uncontested.

² *PJM Interconnection, L.L.C. and Baltimore Gas and Electric Co.*, 156 FERC ¶ 61,014 (2016).

effective May 1, 2017, and also established hearing and Settlement Judge proceedings.³ By Order issued July 31, 2017, the Chief Administrative Law Judge appointed Judge David H. Coffman as the Settlement Judge.⁴

Settlement Judge Coffman convened two settlement conferences on June 7, 2017 and August 10, 2017. A third conference, scheduled for August 10, 2017 was cancelled by Judge Coffman because the parties reported that they reached an agreement in principle.

II. ITEMS INCLUDED IN THE SETTLEMENT PACKAGE

Along with this Explanatory Statement, the Settling Parties include the Settlement Agreement.

III. SUMMARY OF THE SETTLEMENT AGREEMENT

The bottom line is that the Settlement Agreement reduces the allocation of costs to the ComEd Zone not to exceed a total of \$75,000 and increases the allocation of costs to the BGE Zone by the amount corresponding to the adjustments agreed upon in the Settlement Agreement. The total amount of the recovery is unchanged from that set forth in MAPP cost recovery settlement approved by the July 6, 2016 Letter Order. The Settlement Agreement does not change any other zones' cost allocations.

There will be refunds to the ComEd zone to the extent of any amounts in excess of the revised allocated amounts provided for in the Settlement Agreement between May 1, 2017 and the Implementation Date specified in the Settlement Agreement. A summary of the provisions of the Settlement Agreement is included below.

The opening paragraph describes the Settling Parties and Non-Opposing Parties.

³ *PJM Interconnection, L.L.C.*, 159 FERC ¶ 62,087 (Apr. 26, 2017).

⁴ *PJM Interconnection, L.L.C.*, Order of Chief Judge Designating Settlement Judge, Docket No. ER17-1016-000 (May 8, 2017).

Article I and its subparts provide the terms of the Settlement Agreement.

Section 1.1 provides the revised cost allocation under the Settlement Agreement. It provides that for the period of May 1, 2017 through December 31, 2017, PJM shall reduce the cost allocation of the BGE MAPP abandonment cost recovery amount allocated to the ComEd zone from 13.43% to 6.13%, and increase the cost allocation of the BGE MAPP abandonment cost recovery amount allocated to the BGE zone from 4.19% to 11.49%. It further provides that for the period from January 1, 2018 through May 31, 2018, the ComEd zone's cost allocation will remain at 6.13%, and PJM will calculate the differential between that 6.13% and the new annual load ratio share percentage in the ComEd zone per the annual update provided for in Schedule 12 of the Tariff, and apply that difference to the BGE zone's new annual load ratio share percentage.

Section 1.2 provides that on or before January 1, 2018, PJM shall file the Tariff revisions needed to implement the revised allocations specified in Section 1.1 for the period January 1, 2018 through May 31, 2018.

Section 1.3 provides that, contemporaneously with the filing of the Settlement Agreement, the Settling Parties will file a motion for interim rates effective January 1, 2018 to reflect the Tariff revisions as described in Sections 1.1 and 1.2.

Section 1.4 reflects that the Settlement Agreement will have an "Implementation Date" that is the earlier of the date on which the Commission approves the Settlement Agreement or the date that the Commission approves PJM's motion for interim rates described in Section 1.3.

Section 1.5 provides that PJM will perform retroactive billing adjustments for any amounts paid by the ComEd Zone in excess of 6.13% between May 1, 2017 and the Implementation Date, plus interest at the 3.5% prescribed by the Commission, refunded within 30 days of receipt of payment, and invoice corresponding amounts to the BGE Zone.

Section 1.6 provides that PJM will perform a true-up adjustment by no later than the May/June 2018 billing cycle to reconcile any differential between the approximately \$80,000 to be reallocated from the ComEd Zone to the BGE Zone.

Section 1.7 provides that if any further billing adjustments are required to fully implement Article I as to all of its terms, it shall be reflected in the next formula rate annual updates by BGE and ComEd following the Implementation Date.

Section 1.8 provides that this Settlement Agreement fully resolves all issues in this proceeding.

Article II and its subparts address procedural aspects of the Settlement Agreement.

Sections 2.1-2.2 state that the Settlement constitutes the entire agreement among the Settling Parties and that the various provisions of the Settlement are not severable.

Section 2.3 states that the Settlement Agreement shall be inadmissible as evidence in any proceeding except a proceeding to enforce the Settlement Agreement; and does not constitute precedent; and is a negotiated agreement.

Sections 2.4-2.5 state that the settlement discussions among the Settlement Parties are privileged and confidential; and that each Settling Party shall cooperate with and not take any action inconsistent with the Settlement Agreement.

Section 2.6 discusses waiver requirements.

Section 2.7 sets forth the standard of review for any subsequent modifications following the acceptance of the Settlement Agreement that is not agreed to by all Settling Parties as the just and reasonable standards.

Sections 2.8-2.12 contain miscellaneous provisions regarding Settlement Agreement interpretation, successors and assigns, authorization, notices, and executions.

Article III provides that the Settlement Agreement will become effective on the date the Commission approves the Settlement Agreement provided an earlier Implementation Date will be effective upon Commission approval of interim rates, and that if the Commission approves the Settlement Agreement with conditions or modifications, the Settlement Agreement will become effective within 15 days after such approval, provided that no Settling Party objects to such conditions or modifications within 15 days.

Article IV provides that PJM will file revised Tariff sheets with a requested effective date of May 1, 2017 to effectuate the terms of this Settlement Agreement upon its approval, and in conjunction with Section 1.2 subject to adjustment pending Commission disposition of the Settlement Agreement.

REQUIRED INFORMATION

In accordance with the Chief Administrative Law Judge's December 15, 2016 Notice to the Public, the Settling Parties provide the following information:

A. Does the Settlement Agreement Affect Other Pending Cases?

No, the Settlement Agreement by its terms shall have no effect on other cases currently before the Commission.

B. Does the Settlement Involve Issues of First Impression?

No, the Settlement Agreement does not involve issues of first impression.

C. Does the Settlement Depart from Commission Precedent?

No, the Settlement Agreement does not depart from Commission precedent.

D. Does the Settlement Seek to Impose a Standard of Review Other than the Ordinary Just and Reasonable Standard with respect to any Changes to the Settlement that Might be Sought by either a Third party or the Commission acting *sua sponte*?

No, Section 2.7 of the Settlement Agreement provides that the Commission's review of

any proposed modification to the Settlement Agreement shall be the just and reasonable standard.

IV. CONCLUSION

For the foregoing reasons, the Settling Parties request that the Commission approve the Settlement Agreement as fair and reasonable and in the public interest.

PJM Interconnection, L.L.C.

By: /s/ Pauline Foley

Pauline Foley

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Exelon Corporation, for itself and on behalf of
ComEd and BGE

By: /s/ Gary E. Guy

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December 20, 2017

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PJM Interconnection, L.L.C.

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Docket No. ER17-1016-___

SETTLEMENT AGREEMENT

(December 20, 2017)

This Settlement Agreement (“Settlement Agreement”) is made pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“**Commission**”), 18 C.F.R. § 385.602 (2015), by and among PJM Interconnection, LLC (“**PJM**”), the Illinois Commerce Commission and Exelon Corporation (“**Exelon**”), on behalf of Commonwealth Edison Company (“**ComEd**”), and Baltimore Gas and Electric (“**BGE**”) (each a “Settling Party” and all collectively, the “Settling Parties”).¹ As explained in greater detail in the accompanying Explanatory Statement, the Settling Parties enter into this Settlement Agreement to resolve all issues arising out of the February 23, 2017 application filed by PJM in Docket No. ER17-1016-000.

ARTICLE I

COST ALLOCATION AND BILLING

1.1 *Revised Cost Allocation.* On February 23, 2017, PJM filed revisions to Schedule 12-Appendix of its Open Access Transmission Tariff (the “**Tariff**”) for the allocation of \$1.159 million in recovery by BGE of abandonment costs related to PJM baseline upgrades b0512.33 and b0512.43 (the “Baseline Upgrades”) associated with the Mid-Atlantic Power Pathway Project (“**MAPP**”) approved by the Commission in Docket No. ER15-2331-000. By Letter Order issued April 26, 2017, the Commission accepted PJM’s proposed Tariff revisions for

¹ The Delaware Public Service Commission, the Maryland Public Service Commission, and the Commission Trial Staff counsel have authorized the undersigned to represent that they are Non-Opposing Parties.

filing, and suspended those for a nominal period, to become effective May 1, 2017. The Tariff's Schedule 12-Appendix set forth cost allocations on a percentage basis for the Baseline Upgrades ("**Original Cost Allocation**"). The Settling Parties agree to amend the Original Cost Allocations and reduce the cost allocations assigned to the Commonwealth Edison Company Zone ("**ComEd Zone**") to a total of \$75,000 and increase the cost allocations assigned to the Baltimore Gas and Electric Company Zone ("**BGE Zone**") by the amount corresponding to the applicable adjustments agreed upon herein. To effectuate this Settlement Agreement, the Settling Parties agree to amend the Original Cost Allocation in Schedule 12-Appendix for the Baseline Upgrades as follows:

- a. For the period of May 1, 2017 through December 31, 2017, PJM shall:
 - i. Reduce the Original Cost Allocation for the ComEd Zone, from 13.43% to 6.13% ("**Revised ComEd Zone Allocated Cost**"); and
 - ii. Increase the Original Cost Allocation for the BGE Zone from 4.19% to 11.49% ("**Revised BGE Zone Allocated Cost**");
 - iii. Notwithstanding the agreed-upon amendments to the Original Cost Allocations, Exelon agrees that the ComEd Zone and BGE Zone shall continue to pay the Original Cost Allocations until the Implementation Date as defined below in Section 1.4.
- b. For the period of January 1, 2018 through May 31, 2018, PJM shall:
 - i. Keep the Revised ComEd Zone Allocated Cost for the ComEd zone at 6.13%; and
 - ii. Calculate the difference between the Revised ComEd Zone Allocated Cost of 6.13% and the ComEd Zone's new annual load ratio share update percentage, as determined by Schedule 12 of the

PJM Tariff. This difference will be applied to the BGE Zone's new annual load ratio share update percentage.

1.2 *Revised Tariff.* Consistent with the annual update procedures set forth in the Tariff, Schedule 12, PJM, on the Implementation Date as defined in Section 1.4 below, shall file, consistent with Section 4.1 *infra*, revised tariff sheets to implement the revised cost allocations for the Baseline Upgrades for the period May 1, 2017 through December 31, 2017 for the Baseline Upgrades to reflect the Revised ComEd Zone Allocated Cost and the Revised BGE Zone Allocated Cost, attached hereto as Exhibit A ("**Revised Tariff**"). On or before January 1, 2018, PJM shall file revised tariff sheets to implement the revised cost allocations for the Baseline Upgrades for the period January 1, 2018 through May 31, 2018, to reflect the Revised ComEd Zone Allocated Cost and the Revised BGE Zone Allocated Cost, as set forth in this Settlement Agreement. Notwithstanding anything to the contrary herein, the total dollar amount apportioned to the ComEd Zone for the Baseline Upgrades shall not exceed \$75,000.

1.3 *Motion for Interim Rates.* Contemporaneously with the filing of this Settlement Agreement, the Settling Parties are filing a Motion for Interim Rates seeking to implement the revised rates effective May 1, 2017 on an interim basis until the Commission approves the Settlement Agreement.

1.4 *Implementation Date.* The date provided for the revised tariff sheets to become effective in a Commission order approving this Settlement Agreement or granting the Motion for Interim Rates described in Section 1.3 above, whichever is earlier, is referred to herein as the "**Implementation Date.**"

1.5 *Initial Payment and Charges.* Following the Implementation Date, PJM shall perform retroactive billing adjustments for any amounts paid between May 1, 2017 and Implementation date. PJM shall:

- a. refund the ComEd Zone for any amounts paid between May 1, 2017 and Implementation Date in excess of the ComEd Revised Allocated Cost of 6.13%, plus interest at the Commission rate of 3.5% as calculated from May 1, 2017 (the “**Initial Payment**”); and
- b. invoice the BGE Zone for the amount of the Initial Payment.

1.6 *True-up.* PJM shall make a true-up adjustment to the ComEd Zone and BGE Zone no later than the May/June 2018 billing cycle to reconcile any difference, plus or minus, between the amount not to exceed \$75,000 in the Settlement Agreement and the amounts actually paid on behalf of the ComEd Zone for the Baseline Upgrades.

1.7 *Billing/Refund.* Any further billing adjustments provided for in Article I or required to implement the terms of this Settlement Agreement shall be reflected in the next formula rate annual update postings made by BGE and ComEd, respectively, following the Implementation Date.

1.8 *Resolution of Proceeding.* The terms provided in this Settlement Agreement constitute full and complete resolution of all issues in this proceeding. On the date the Commission issues the Final Order, as defined *infra*, and upon the Settling Parties’ receipt of all payments required and obligations fulfilled by this Settlement Agreement, this proceeding will be resolved.

ARTICLE II

SCOPE AND CONDITIONS

2.1 *Scope of the Agreement.* This Settlement Agreement constitutes the entire agreement among the Settling Parties with respect to the subject matter addressed herein, and supersedes any and all prior or contemporaneous representations, agreements, instruments and understandings between them, whether written or oral. There are no other oral understandings, terms, or conditions, and none of the Settling Parties has relied upon any representation, express or

implied, not contained in this Settlement Agreement.

2.2 *Non-Severability.* The Settling Parties agree and understand that the various provisions of this Settlement Agreement are not severable and shall not become operative unless and until this Settlement Agreement becomes effective as described in Section 3.1.

2.3 *No Precedent.* This Settlement Agreement is submitted pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2017), and is inadmissible as evidence in any proceeding except a proceeding involving a claim of breach of, or an effort to enforce, this Settlement Agreement. No element of this Settlement Agreement constitutes precedent or should be deemed "settled practice" as that term was interpreted in *Public Service Commission of New York v. FERC*, 642 F.2d 1335 (D.C. Cir. 1980). It is further understood and agreed that this Settlement Agreement constitutes a negotiated agreement with multiple elements of consideration and, except as explicitly set forth herein, no Settling Party shall be deemed to have approved, accepted, agreed or consented to any principle or position in this proceeding.

2.4 *Settlement Discussions.* The discussions between and among the Settling Parties that have produced this Settlement Agreement have been conducted with the explicit understanding, pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2017), that all offers of settlement and discussions relating thereto shall be privileged and confidential, shall be without prejudice to the position of any Settling Party or participant presenting any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any other proceeding, or otherwise, except to the extent necessary to enforce the terms of this Settlement Agreement.

2.5 *Further Assurances.* Each Settling Party shall cooperate with, and shall not take any action inconsistent with: (i) the filing of this Settlement Agreement with the Commission, and (ii) efforts to obtain Commission acceptance or approval of this Settlement Agreement without

change or condition. No Settling Party shall take any action that is inconsistent with the provisions of this Settlement Agreement and the Parties agree to do all things reasonably necessary to carry out the intent of this agreement.

2.6 *Waiver.* No provision of this Settlement Agreement may be waived except in writing signed by authorized representatives of all the Settling Parties. Waiver of any provision of this Settlement Agreement shall not be deemed to waive any other provision or provisions hereof.

2.7 *Modifications/Standard of Review.* Unless the Settling Parties otherwise agree in writing, any modification to this Settlement Agreement proposed by one of the Settling Parties after the Commission has accepted or approved the Settlement Agreement, in accordance with Section 3.1, shall, as between them, be subject to the just and reasonable standard of review. The standard of review for changes to this Settlement Agreement proposed by a non-party of the Commission acting *sua sponte* shall be the most stringent standard permissible under applicable law.

2.8 *Successors and Assigns.* This Settlement Agreement is binding upon, and for the benefit of, the Settling Parties, their successors and assigns.

2.9 *Ambiguities Neutrally Construed.* This Settlement Agreement was jointly drafted by the Settling Parties and shall not be construed in favor of or against any Settling Party by reason of authorship or alleged authorship but shall be construed and interpreted in a neutral manner.

2.10 *Authorization.* Each person executing this Settlement Agreement on behalf of a Settling Party represents and warrants that he or she is duly authorized to execute this Settlement Agreement and bind the Settling Party to the obligations set forth herein.

2.11 *Notices.* All notices, demands, and other communications hereunder shall be in writing and shall be delivered to each Settling Party's "Corporate Official" as found on the Commission's website at <http://www.ferc.gov/docs-filing/corp-off.asp> or the representative(s) of each Settling Party included on the official service list in Docket No. ER17-1016-000. Any notice required by

or in connection with this Settlement Agreement will also be delivered to the persons on the Commission's official service list in the above-captioned docket.

2.12 *Counterparts.* This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

ARTICLE III

EFFECTIVE DATE

3.1. *Effective Date.* This Settlement Agreement shall take effect on the date the Settlement Agreement is approved by the Commission in an order within the meaning of 18 C.F.R. § 385.713 (“**Final Order**”), except that, (a) if a motion for interim rates, the cost allocation applicable under Schedule 12-C shall take effect on the Implementation Date as set forth in Section 1.4 , subject to adjustment pending the Final Order as described in Article I herein; and (b) if the Commission in a Final Order approves this Settlement Agreement subject to condition, modification, or severance of any issue or party, then the Settlement Agreement shall not take effect if, within 15 days of such decision, any Settling Party or Non-Opposing Party notifies the other Settling Parties, Non-Opposing Parties, and the Commission that any such condition or modification is not acceptable.

ARTICLE IV

PROPOSED TARIFF SHEET FILING

4.1 *Proposed Tariff Sheets.* Upon the Commission's approval of this Settlement Agreement, and in conjunction with Section 1.2 *supra*, PJM shall file the Revised Tariff pursuant to Section 205 of the Federal Power Act to implement the proposed tariff revisions with a requested effective date of May 1, 2017 in order to effectuate the terms of this Settlement Agreement subject to adjustment pending the outcome of the Final Order.

PJM Interconnection, L.L.C.

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Exelon Corporation, for itself and on behalf of
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By: /s/ Gary E. Guy

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MARKED TARIFF

SCHEDULE 12 – APPENDIX

(2) Baltimore Gas and Electric Company

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0152	Add (2) 230 kV Breakers at High Ridge and install two Northwest 230 kV 120 MVAR capacitors	BGE (100%)
b0244	Install a 4 th Waugh Chapel 500/230kV transformer, terminate the transformer in a new 500 kV bay and operate the existing in-service spare transformer on standby	BGE (85.56%) / ME (0.83%) / PEPSCO (13.61%)
b0298	Replace both Conastone 500/230 kV transformers with larger transformers	As specified in Attachment H-2A, Attachment 7, the Transmission Enhancement Charge Worksheet BGE (75.85%) / Dominion (11.54%) / ME (4.73%) / PEPSCO (7.88%)
b0298.1	Replace Conastone 230 kV breaker 500-3/2323	BGE (100%)
b0474	Add a fourth 230/115 kV transformer, two 230 kV circuit breakers and a 115 kV breaker at Waugh Chapel	BGE (100%)
b0475	Create two 230 kV ring buses at North West, add two 230/115 kV transformers at North West and create a new 115 kV station at North West	BGE (100%)
b0476	Rebuild High Ridge 230 kV substation to Breaker and Half configuration	BGE (100%)
b0477	Replace the Waugh Chapel 500/230 kV transformer #1 with three single phase transformers	BGE (90.56%) / ME (1.51%) / PECO (.92%) / PEPSCO (4.01%) / PPL (3.00%)
b0497	Install a second Conastone – Graceton 230 kV circuit	AEC (9.00%) / DPL (16.85%) / JCPL (9.64%) / ME (1.48%) / Neptune* (0.95%) / PECO (30.79%) / PPL (16.41%) / ECP** (0.29%) / PSEG (14.07%) / RE (0.52%)

* Neptune Regional Transmission System, LLC

** East Coast Power, L.L.C.

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0497.1	Replace Conastone 230 kV breaker #4	BGE (100%)
b0497.2	Replace Conastone 230 kV breaker #7	BGE (100%)
b0500.2	Replace wavetrap and raise operating temperature on Conastone – Otter Creek 230 kV line to 165 deg	AEC (6.27%) / DPL (8.65 %) / JCPL (14.54%) / ME (10.59%) / Neptune* (1.37%) / PECO (15.66%) / PPL (21.02%) / ECP** (0.57%) / PSEG (20.56%) / RE (0.77%)
b0512.33	MAPP Project Install new Hallowing Point – Calvert Cliffs 500 kV circuit and associated substation work at Calvert Cliffs substation	AEC (1.70%) / AEP (14.25%) / APS (5.53%) / ATSI (8.09%) / BGE (4.1911.49%) / ComEd (13.436.13%) / Dayton (2.12%) / DEOK (3.37%) / DL (1.77%) / DPL (2.62%) / Dominion (12.39%) / EKPC (1.82%) / HTP*** (0.20%) / JCPL (3.78%) / ME (1.87%) / NEPTUNE* (0.42%) / PECO (5.30%) / PENELEC (1.84%) / PEPCO (4.18%) / PPL (4.46%) / PSEG (6.22%) / RE (0.25%) / ECP** (0.20%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0512.43	MAPP Project Install new Hallowing Point – Calvert Cliffs 500 kV circuit and associated substation work at Calvert Cliffs substation	AEC (1.70%) / AEP (14.25%) / APS (5.53%) / ATSI (8.09%) / BGE (4.19 <u>11.49</u> %) / ComEd (13.43 <u>6.13</u> %) / Dayton (2.12%) / DEOK (3.37%) / DL (1.77%) / DPL (2.62%) / Dominion (12.39%) / EKPC (1.82%) / HTP*** (0.20%) / JCPL (3.78%) / ME (1.87%) / NEPTUNE* (0.42%) / PECO (5.30%) / PENELEC (1.84%) / PEPCO (4.18%) / PPL (4.46%) / PSEG (6.22%) / RE (0.25%) / ECP** (0.20%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0729	Rebuild both Harford – Perryman 110615-A and 110616-A 115 kV circuits	BGE (100%)
b0749	Replace 230 kV breaker and associated CT’s at Riverside 230 kV on 2345 line; replace all dead-end structures at Brandon Shores, Hawkins Point, Sollers Point and Riverside; Install a second conductor per phase on the spans entering each station	BGE (100%)
b0795	Install a 115 kV breaker at Chesaco Park	BGE (100%)
b0796	Install 2, 115 kV breakers at Gwynnbrook	BGE (100%)
b0819	Remove line drop limitations at the substation terminations for Gwynnbrook – Mays Chapel 115 kV	BGE (100%)
b0820	Remove line drop limitations at the substation terminations and replace switch for Delight – Gwynnbrook 115 kV	BGE (100%)
b0821	Remove line drop limitations at the substation terminations for Northwest – Delight 115 kV	BGE (100%)
b0822	Remove line drop limitations at the substation terminations for Gwynnbrook – Sudbrook 115 kV	BGE (100%)
b0823	Remove line drop limitations at the substation terminations for Windy Edge – Texas 115 kV	BGE (100%)

* Neptune Regional Transmission System, LLC

** East Coast Power, L.L.C.

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0824	Remove line drop limitations at the substation terminations for Granite – Harrisonville 115 kV	BGE (100%)
b0825	Remove line drop limitations at the substation terminations for Harrison – Dolefield 115 kV	BGE (100%)
b0826	Remove line drop limitations at the substation terminations for Riverside – East Point 115 kV	BGE (100%)
b0827	Install an SPS for one year to trip a Mays Chapel 115 kV breaker one line 110579 for line overloads 110509	BGE (100%)
b0828	Disable the HS throwover at Harrisonville for one year	BGE (100%)
b0870	Rebuild each line (0.2 miles each) to increase the normal rating to 968 MVA and the emergency rating to 1227 MVA	BGE (100%)
b0906	Increase contact parting time on Wagner 115 kV breaker 32-3/2	BGE (100%)
b0907	Increase contact parting time on Wagner 115 kV breaker 34-1/3	BGE (100%)
b1016	Rebuild Graceton - Bagley 230 kV as double circuit line using 1590 ACSR. Terminate new line at Graceton with a new circuit breaker.	APS (2.02%) / BGE (75.22%) / Dominion (16.1%) / PEPCO (6.6%)
b1055	Upgrade wire drops at Center 115kV on the Center - Westport 115 kV circuit	BGE (100%)

The Annual Revenue Requirement associated with the Transmission Enhancement Charges are set forth and determined in Appendix A to Attachment H-2.

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1029	Upgrade wire sections at Wagner on both 110534 and 110535 115 kV circuits. Reconfigure Lipins Corner substation	BGE (100%)
b1030	Move the Hillen Rd substation from circuits 110507/110508 to circuits 110505/110506	BGE (100%)
b1031	Replace wire sections on Westport - Pumphrey 115 kV circuits #110521, 110524, 110525, and 110526	BGE (100%)
b1083	Upgrade wire sections of the Mays Chapel – Mt Washington circuits (110701 and 110703) to improve the rating to 260/300 SN/SE MVA	BGE (100%)
b1084	Extend circuit 110570 from Deer Park to Northwest, and retire the section of circuit 110560 from Deer Park to Deer Park tap and retire existing Deer Park Breaker	BGE (100%)
b1085	Upgrade substation wire conductors at Lipins Corner to improve the rating of Solley-Lipins Corner sections of circuits 110534 and 110535 to 275/311 MVA SN/SE	BGE (100%)
b1086	Build a new 115 kV switching station between Orchard St. and Monument St.	BGE (100%)
b1175	Apply SPS at Mt. Washington to delay load pick-up for one outage and for the other outage temporarily drop load	BGE (100%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1176	Transfer 6 MW of load from Mt. Washington – East Towson	BGE (100%)
b1251	Build a second Raphael – Bagley 230 kV	APS (4.42%) / BGE (66.95%) / ComEd (4.12%) / Dayton (0.49%) / Dominion (18.76%) / PENELEC (0.05%) / PEPCO (5.21%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1251.1	Re-build the existing Raphael – Bagley 230 kV	APS (4.42%) / BGE (66.95%) / ComEd (4.12%) / Dayton (0.49%) / Dominion (18.76%) / PENELEC (0.05%) / PEPCO (5.21%)
b1252	Upgrade terminal equipment (remove terminal limitation at Pumphrey Tap to bring the circuit to 790N/941E	BGE (100%)
b1253	Replace the existing Northeast 230/115 kV transformer #3 with 500 MVA	BGE (100%)
b1253.1	Replace the Northeast 230 kV breaker '2317/315'	BGE (100%)
b1253.2	Revise reclosing on Windy Edge 115 kV breaker '110515'	BGE (100%)
b1253.3	Revise reclosing on Windy Edge 115 kV breaker '110516'	BGE (100%)
b1253.4	Revise reclosing on Windy Edge 115 kV breaker '110517'	BGE (100%)
b1254	Build a new 500/230 kV substation (Emory Grove)	APS (4.07%) / BGE (53.19%) / ComEd (3.71%) / Dayton (0.50%) / Dominion (16.44%) / PENELEC (0.59%) / PEPCO (21.50%)
b1254.1	Bundle the Emory – North West 230 kV circuits	BGE (100%)
b1267	Rebuild existing Erdman 115 kV substation to a dual ring-bus configuration to enable termination of new circuits	BGE (100%)
b1267.1	Construct 115 kV double circuit underground line from existing Coldspring to Erdman substation	BGE (100%)
b1267.2	Replace Mays Chapel 115 kV breaker '110515A'	BGE (100%)
b1267.3	Replace Mays Chapel 115 kV breaker '110579C'	BGE (100%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1544	Advance the baseline upgrade B1252 to upgrade terminal equipment removing terminal limitation at Pumphrey Tap on BGE 230 kV circuit 2332-A	BGE (100%)
b1545	Upgrade terminal equipment at both Brandon Shores and Waugh Chapel removing terminal limitation on BGE 230 kV circuit 2343	BGE (100%)
b1546	Upgrade terminal equipment at Graceton removing terminal limitation on BGE portion of the 230 kV Graceton – Cooper circuit 2343	BGE (100%)
b1583	Replace Hazelwood 115 kV breaker '110602'	BGE (100%)
b1584	Replace Hazelwood 115 kV breaker '110604'	BGE (100%)
b1606.1	Moving the station supply connections of the Hazelwood 115/13kV station	BGE (100%)
b1606.2	Installing 115kV tie breakers at Melvale	BGE (100%)
b1785	Revise the reclosing for Pumphrey 115 kV breaker '110521 DR'	BGE (100%)
b1786	Revise the reclosing for Pumphrey 115 kV breaker '110526 DR'	BGE (100%)
b1789	Revise the reclosing for Pumphrey 115 kV breaker '110524DR'	BGE (100%)
b1806	Rebuild Wagner 115kV substation to 80kA	BGE (100%)

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SCHEDULE 12 – APPENDIX

(2) Baltimore Gas and Electric Company

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0152	Add (2) 230 kV Breakers at High Ridge and install two Northwest 230 kV 120 MVAR capacitors	BGE (100%)
b0244	Install a 4 th Waugh Chapel 500/230kV transformer, terminate the transformer in a new 500 kV bay and operate the existing in-service spare transformer on standby	BGE (85.56%) / ME (0.83%) / PEPCO (13.61%)
b0298	Replace both Conastone 500/230 kV transformers with larger transformers	As specified in Attachment H-2A, Attachment 7, the Transmission Enhancement Charge Worksheet
b0298.1	Replace Conastone 230 kV breaker 500-3/2323	BGE (100%)
b0474	Add a fourth 230/115 kV transformer, two 230 kV circuit breakers and a 115 kV breaker at Waugh Chapel	BGE (100%)
b0475	Create two 230 kV ring buses at North West, add two 230/115 kV transformers at North West and create a new 115 kV station at North West	BGE (100%)
b0476	Rebuild High Ridge 230 kV substation to Breaker and Half configuration	BGE (100%)
b0477	Replace the Waugh Chapel 500/230 kV transformer #1 with three single phase transformers	BGE (90.56%) / ME (1.51%) / PECO (.92%) / PEPCO (4.01%) / PPL (3.00%)
b0497	Install a second Conastone – Graceton 230 kV circuit	AEC (9.00%) / DPL (16.85%) / JCPL (9.64%) / ME (1.48%) / Neptune* (0.95%) / PECO (30.79%) / PPL (16.41%) / ECP** (0.29%) / PSEG (14.07%) / RE (0.52%)

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** East Coast Power, L.L.C.

Baltimore Gas and Electric Company (cont.)

	Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0497.1	Replace Conastone 230 kV breaker #4		BGE (100%)
b0497.2	Replace Conastone 230 kV breaker #7		BGE (100%)
b0500.2	Replace wavetrapp and raise operating temperature on Conastone – Otter Creek 230 kV line to 165 deg		AEC (6.27%) / DPL (8.65 %) / JCPL (14.54%) / ME (10.59%) / Neptune* (1.37%) / PECO (15.66%) / PPL (21.02%) / ECP** (0.57%) / PSEG (20.56%) / RE (0.77%)
b0512.33	MAPP Project Install new Hallowing Point – Calvert Cliffs 500 kV circuit and associated substation work at Calvert Cliffs substation		AEC (1.70%) / AEP (14.25%) / APS (5.53%) / ATSI (8.09%) / BGE (11.49%) / ComEd (6.13%) / Dayton (2.12%) / DEOK (3.37%) / DL (1.77%) / DPL (2.62%) / Dominion (12.39%) / EKPC (1.82%) / HTP*** (0.20%) / JCPL (3.78%) / ME (1.87%) / NEPTUNE* (0.42%) / PECO (5.30%) / PENELEC (1.84%) / PEPCO (4.18%) / PPL (4.46%) / PSEG (6.22%) / RE (0.25%) / ECP** (0.20%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0512.43	MAPP Project Install new Hallowing Point – Calvert Cliffs 500 kV circuit and associated substation work at Calvert Cliffs substation	AEC (1.70%) / AEP (14.25%) / APS (5.53%) / ATSI (8.09%) / BGE (11.49%) / ComEd (6.13%) / Dayton (2.12%) / DEOK (3.37%) / DL (1.77%) / DPL (2.62%) / Dominion (12.39%) / EKPC (1.82%) / HTP*** (0.20%) / JCPL (3.78%) / ME (1.87%) / NEPTUNE* (0.42%) / PECO (5.30%) / PENELEC (1.84%) / PEPCO (4.18%) / PPL (4.46%) / PSEG (6.22%) / RE (0.25%) / ECP** (0.20%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0729	Rebuild both Harford – Perryman 110615-A and 110616-A 115 kV circuits	BGE (100%)
b0749	Replace 230 kV breaker and associated CT’s at Riverside 230 kV on 2345 line; replace all dead-end structures at Brandon Shores, Hawkins Point, Sollers Point and Riverside; Install a second conductor per phase on the spans entering each station	BGE (100%)
b0795	Install a 115 kV breaker at Chesaco Park	BGE (100%)
b0796	Install 2, 115 kV breakers at Gwynnbrook	BGE (100%)
b0819	Remove line drop limitations at the substation terminations for Gwynnbrook – Mays Chapel 115 kV	BGE (100%)
b0820	Remove line drop limitations at the substation terminations and replace switch for Delight – Gwynnbrook 115 kV	BGE (100%)
b0821	Remove line drop limitations at the substation terminations for Northwest – Delight 115 kV	BGE (100%)
b0822	Remove line drop limitations at the substation terminations for Gwynnbrook – Sudbrook 115 kV	BGE (100%)
b0823	Remove line drop limitations at the substation terminations for Windy Edge – Texas 115 kV	BGE (100%)

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Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b0824	Remove line drop limitations at the substation terminations for Granite – Harrisonville 115 kV	BGE (100%)
b0825	Remove line drop limitations at the substation terminations for Harrison – Dolefield 115 kV	BGE (100%)
b0826	Remove line drop limitations at the substation terminations for Riverside – East Point 115 kV	BGE (100%)
b0827	Install an SPS for one year to trip a Mays Chapel 115 kV breaker one line 110579 for line overloads 110509	BGE (100%)
b0828	Disable the HS throwover at Harrisonville for one year	BGE (100%)
b0870	Rebuild each line (0.2 miles each) to increase the normal rating to 968 MVA and the emergency rating to 1227 MVA	BGE (100%)
b0906	Increase contact parting time on Wagner 115 kV breaker 32-3/2	BGE (100%)
b0907	Increase contact parting time on Wagner 115 kV breaker 34-1/3	BGE (100%)
b1016	Rebuild Graceton - Bagley 230 kV as double circuit line using 1590 ACSR. Terminate new line at Graceton with a new circuit breaker.	APS (2.02%) / BGE (75.22%) / Dominion (16.1%) / PEPCO (6.6%)
b1055	Upgrade wire drops at Center 115kV on the Center - Westport 115 kV circuit	BGE (100%)

The Annual Revenue Requirement associated with the Transmission Enhancement Charges are set forth and determined in Appendix A to Attachment H-2.

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1029	Upgrade wire sections at Wagner on both 110534 and 110535 115 kV circuits. Reconfigure Lipins Corner substation	BGE (100%)
b1030	Move the Hillen Rd substation from circuits 110507/110508 to circuits 110505/110506	BGE (100%)
b1031	Replace wire sections on Westport - Pumphrey 115 kV circuits #110521, 110524, 110525, and 110526	BGE (100%)
b1083	Upgrade wire sections of the Mays Chapel – Mt Washington circuits (110701 and 110703) to improve the rating to 260/300 SN/SE MVA	BGE (100%)
b1084	Extend circuit 110570 from Deer Park to Northwest, and retire the section of circuit 110560 from Deer Park to Deer Park tap and retire existing Deer Park Breaker	BGE (100%)
b1085	Upgrade substation wire conductors at Lipins Corner to improve the rating of Solley-Lipins Corner sections of circuits 110534 and 110535 to 275/311 MVA SN/SE	BGE (100%)
b1086	Build a new 115 kV switching station between Orchard St. and Monument St.	BGE (100%)
b1175	Apply SPS at Mt. Washington to delay load pick-up for one outage and for the other outage temporarily drop load	BGE (100%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1176	Transfer 6 MW of load from Mt. Washington – East Towson	BGE (100%)
b1251	Build a second Raphael – Bagley 230 kV	APS (4.42%) / BGE (66.95%) / ComEd (4.12%) / Dayton (0.49%) / Dominion (18.76%) / PENELEC (0.05%) / PEPCO (5.21%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1251.1	Re-build the existing Raphael – Bagley 230 kV	APS (4.42%) / BGE (66.95%) / ComEd (4.12%) / Dayton (0.49%) / Dominion (18.76%) / PENELEC (0.05%) / PEPCO (5.21%)
b1252	Upgrade terminal equipment (remove terminal limitation at Pumphrey Tap to bring the circuit to 790N/941E	BGE (100%)
b1253	Replace the existing Northeast 230/115 kV transformer #3 with 500 MVA	BGE (100%)
b1253.1	Replace the Northeast 230 kV breaker ‘2317/315’	BGE (100%)
b1253.2	Revise reclosing on Windy Edge 115 kV breaker ‘110515’	BGE (100%)
b1253.3	Revise reclosing on Windy Edge 115 kV breaker ‘110516’	BGE (100%)
b1253.4	Revise reclosing on Windy Edge 115 kV breaker ‘110517’	BGE (100%)
b1254	Build a new 500/230 kV substation (Emory Grove)	APS (4.07%) / BGE (53.19%) / ComEd (3.71%) / Dayton (0.50%) / Dominion (16.44%) / PENELEC (0.59%) / PEPCO (21.50%)
b1254.1	Bundle the Emory – North West 230 kV circuits	BGE (100%)
b1267	Rebuild existing Erdman 115 kV substation to a dual ring-bus configuration to enable termination of new circuits	BGE (100%)
b1267.1	Construct 115 kV double circuit underground line from existing Coldspring to Erdman substation	BGE (100%)
b1267.2	Replace Mays Chapel 115 kV breaker ‘110515A’	BGE (100%)
b1267.3	Replace Mays Chapel 115 kV breaker ‘110579C’	BGE (100%)

Baltimore Gas and Electric Company (cont.)

Required Transmission Enhancements	Annual Revenue Requirement	Responsible Customer(s)
b1544	Advance the baseline upgrade B1252 to upgrade terminal equipment removing terminal limitation at Pumphrey Tap on BGE 230 kV circuit 2332-A	BGE (100%)
b1545	Upgrade terminal equipment at both Brandon Shores and Waugh Chapel removing terminal limitation on BGE 230 kV circuit 2343	BGE (100%)
b1546	Upgrade terminal equipment at Graceton removing terminal limitation on BGE portion of the 230 kV Graceton – Cooper circuit 2343	BGE (100%)
b1583	Replace Hazelwood 115 kV breaker '110602'	BGE (100%)
b1584	Replace Hazelwood 115 kV breaker '110604'	BGE (100%)
b1606.1	Moving the station supply connections of the Hazelwood 115/13kV station	BGE (100%)
b1606.2	Installing 115kV tie breakers at Melvale	BGE (100%)
b1785	Revise the reclosing for Pumphrey 115 kV breaker '110521 DR'	BGE (100%)
b1786	Revise the reclosing for Pumphrey 115 kV breaker '110526 DR'	BGE (100%)
b1789	Revise the reclosing for Pumphrey 115 kV breaker '110524DR'	BGE (100%)
b1806	Rebuild Wagner 115kV substation to 80kA	BGE (100%)