

SCHEDULE 7
Long-Term Firm and Short-Term Firm Point-To-Point
Transmission Service

1) The Transmission Customer shall pay each month for Reserved Capacity at the sum of the applicable charges set forth below for the Point of Delivery:

Summary of Charges
(in \$/kW)

Point of Delivery	Yearly Charge	Monthly Charge	Weekly Charge	Daily On-Peak ¹ Charge	Daily Off-Peak ^{2/} Charge
Border of PJM	18.888	1.574	0.3632	0.0726	0.0519
AE Zone	23.809	1.984	0.4580	0.0920	0.0650
BG&E Zone	15.675	1.306	0.3010	0.0600	0.0430
Delmarva Zone	19.378	1.615	0.3730	0.0750	0.0530
JCPL Zone	15.112	1.259	0.2906	0.0581	0.0414
MetEd Zone	15.112	1.259	0.2906	0.0581	0.0414
Penelec Zone	15.112	1.259	0.2906	0.0581	0.0414
PECO Zone	26.264	2.189	0.5051	0.1010	0.0722
PPL Zone: Total charge is the sum of the components	PPL: * AEC: 0.463 UGI: *	PPL: * AEC: 0.039 UGI: *	PPL: * AEC: 0.0089 UGI: *	PPL: * AEC: 0.0018 UGI: *	PPL: * AEC: 0.0013 UGI: *
Pepco Zone	20.999	1.750	0.4040	0.0810	0.0580
PSE&G Zone	23.696	1.975	0.4557	0.0911	0.0651
AP Zone	20.847	1.737	0.4009	0.0802	0.0573
Rockland Zone	49.695	4.141	0.9557	0.1911	0.1365
ComEd Zone ^{3/}	4/				

* PPL Electric Utilities Corporation's and UGI Utilities' respective component of the total charge is posted on the PJM Internet website.

Point of Delivery	Yearly Charge	Monthly Charge	Weekly Charge	Daily On-Peak ¹ Charge	Daily Off-Peak ^{2/} Charge
AEP East Zone ^{5/}	Monthly Charge X 12	Rate Pursuant to Attachment H-14	Yearly Charge / 52	Weekly Charge / 5	Weekly Charge / 7
Dayton Zone	15.674	1.306	0.3014	0.0603	0.0431
Duquesne Zone	14.17	1.18	0.27	0.0540	0.0386
Dominion Zone ^{6/}					
ATSI Zone	Rate Pursuant to Attachment H-21	Rate Pursuant to Attachment H-21	Rate Pursuant to Attachment H-21	Rate Pursuant to Attachment H-21	Rate Pursuant to Attachment H-21
DEOK Zone	Rate Pursuant to Attachment H-22	Rate Pursuant to Attachment H-22	Rate Pursuant to Attachment H-22	Rate Pursuant to Attachment H-22	Rate Pursuant to Attachment H-22
EKPC Zone	Rate Pursuant to Attachment H-24	Rate Pursuant to Attachment H-24	Rate Pursuant to Attachment H-24	Rate Pursuant to Attachment H-24	Rate Pursuant to Attachment H-24
OVEC Zone	5.16	0.43	0.10	0.02	0.014

Effective December 1, 2004, the charge for Points of Delivery at the Border of PJM and the Transitional Revenue Neutrality Charge under this Schedule 7 shall not apply to any Reserved Capacity with a Point of Delivery of the Midwest Independent Transmission System Operator, Inc. obtained pursuant to requests submitted on or after November 17, 2003, for service commencing on or after April 1, 2004. Effective April 1, 2006, the charge for Points of Delivery at the Border of PJM and the Transitional Revenue Neutrality Charge under this Schedule 7 shall not apply to any Reserved Capacity with a Point of Delivery of the Midwest Independent Transmission System Operator, Inc.

- 1/ Monday – Friday except the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
- 2/ Saturday and Sunday and the following holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.
- 3/ Each month, revenue credits will be applied to the gross charge in accordance with section 8 below to determine the actual charge to the Transmission Customer.
- 4/ The charges for the ComEd zone are posted on PJM’s website. In addition to other rates set forth in this schedule, customers within the ComEd zone shall be charged for recovery of RTO start-up costs at the following rates, each computed to four decimal places:
 - Annual Rate - \$/kW/year = \$1,523,039, divided by the 1 CP demand for the ComEd zone for the prior calendar year;
 - Monthly Rate - \$/kW/month. = Annual Rate divided by 12;
 - Weekly Rate - \$/kW/week = Annual Rate divided by 52;
 - Daily Rate - \$/kW/day = Weekly Rate divided by 5.

In order to ensure that the charge does not result in either an over-recovery or under-recovery of ComEd's start-up costs, PJM will institute an annual true-up mechanism in the month of May of each of the years 2008-2014. In May of each of those years, PJM will compare the amount collected under this charge for the previous 12 months with the target annual amount of \$1,523,039 and calculate any credits or surcharges that would be needed to ensure that \$1,523,039 is collected for each year. Any credit or surcharge will be assessed in the June bills for years 2008-2014, consistent with the above methodology.

- 5/ The rates for firm point-to-point transmission service in the AEP Zone will be charged at the yearly, monthly, weekly or daily rate equivalent to the rate effective in such period under Attachment H-14. In addition to other rates set forth in this schedule, customers within the AEP East Zone shall be charged for recovery of RTO start-up costs at the following rates, each computed to four decimal places:

Annual Rate - $\$/kW/year = \$2,362,185$, plus any applicable true-up adjustment, divided by the 1 CP demand for the AEP East Zone for the prior calendar year;

Monthly Rate - $\$/kW/month. = Annual Rate$ divided by 12;

Weekly Rate - $\$/kW/week = Annual Rate$ divided by 52;

Daily Rate - $\$/kW/day = Weekly Rate$ divided by 5.

For the period November 1, 2005 through March 31, 2006, the rate shall be \$8.94/MW-month; for the period April 1 through December 31, 2006, the rate shall be \$8.60/MW-month, thereafter, the rate will be subject to the following true-up:

In order to ensure that the charge does not result in either over-recovery or under-recovery of AEP's start-up costs, PJM will institute an annual true-up mechanism and implement revised charges as of January 1st of each of the years 2007-2019. In January of each of those years, PJM will compare the amount collected under this charge for the previous year or part thereof with the target annual amount of \$2,362,185 and calculate the rates that would be needed, given the expected billing demands, to collect \$2,362,185, adjusted for any prior year over-collection or under-collection. In the final year that the rate is collected, PJM will calculate the rate to collect five-twelfths of the annual amount (\$984,244), plus or minus any prior year true up amount, by May 31 of that year, and shall charge such rate until that amount is collected, whether that date be before or after May 31, 2020.

- 6/ The service period charges rounded to four decimal places for the Dominion Zone are as follows:

Yearly Charge - $\$/kW/year = \text{the formula rate for Network Integration Transmission Service as described in Attachment H-16 and Attachment H-16A divided by } 1000 \text{ kW/MW}$

Monthly Charge - $\$/kW/month. = \text{Yearly Charge divided by } 12;$

Weekly Charge - $\$/kW/week = \text{Yearly Charge divided by } 52;$

Daily On-Peak Charge - $\$/kW/day = \text{Weekly Charge divided by } 5;$

Daily Off-Peak Charge - $\$/kW/day = \text{Weekly Charge divided by } 7.$

On a monthly basis, revenue credits shall be calculated based on the sum of VEPCO's share of revenues collected during the month from Schedule 7 and Network Integration Transmission Service to Non-Zone Network Load under Attachment H-A. The sum of these revenue credits will appear as an adjustment to the to the gross monthly service period charges produced by the above formula.

- 2) The total demand charge in any week, pursuant to a reservation for Daily On-Peak Delivery, or Daily Off-Peak Delivery shall not exceed the Weekly Delivery rate specified in section (1) above for weekly service times the highest amount in kilowatts of Reserved Capacity and any additional transmission service, if any, in any day during such week.
- 3) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- 4) **Congestion, Losses and Capacity Export:** In addition to any payment under this Schedule, the Transmission Customer shall pay Redispatch Costs as specified in Section 27 of the Tariff. The Transmission Customer shall be responsible for losses as specified in the Tariff. Any Transmission Customer that is a Capacity Export Transmission Customer, shall pay any applicable charges, and receive any applicable credits, for such a customer pursuant to Attachment DD.
- 5) **Other Supporting Facilities and Taxes:** In addition to the rates set forth in section (1) of this schedule, the Transmission Customer shall pay charges determined on a case-by-case basis for facilities necessary to provide Transmission Service at voltages lower than those shown in Attachment H for the applicable Zone(s) and any amounts necessary to reimburse PJMSettlement for any amounts payable as sales, excise, "Btu," carbon, value-added or similar

taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

- 6) **Transitional Revenue Neutrality Charge:** In addition to the rates set forth in section (1) of this schedule and any other applicable charges, the Transmission Customer shall also pay for Reserved Capacity for delivery at the border of the PJM Region a non-discountable charge of \$3.60/kw/year, \$0.30/kw/mo., \$0.0692/kw/week, \$0.0099/kw/day-off-peak, or \$0.0138/kw/day-on-peak. PJM shall distribute all revenues from the Transitional Revenue Neutrality Charge to Allegheny Power. The charge provided for under this section (6) shall terminate effective as of the day on which the sum total of the revenues collected by this charge, the Transitional Revenue Neutrality Charge under Schedule 8, and the Transitional Market Expansion Charge under Schedule 11 equal \$84,993,360.
- 7) **Transmission Enhancement Charges.** In addition to the rates set forth in Section (1) of this Schedule and any other applicable charges, the Transmission Customer shall also pay any Transmission Enhancement Charges for which it is designated as a Responsible Customer under Schedule 12 appended to the Tariff.
- 8) **Determination of monthly charges for ComEd Zone:** On a monthly basis, revenue credits shall be calculated based on the sum of ComEd's share of revenues collected during the month from: (i) the PJM Border Rate under Schedule 7; (ii) Network Integration Transmission Service to Non-Zone Network Load under Attachment H-A; (iii) Seams Elimination Charge/Cost Adjustment/Assignment ("SECA") revenues allocable to ComEd under the Tariff; and (iv) any Point-To-Point Transmission Service where the Point of Receipt and the Point of Delivery are both internal to the ComEd Zone. On this basis, the sum of these revenues will appear as a reduction to the gross monthly rate stated above on a Transmission Customer's bill in that month for service under this schedule.
- 9) **Determination of monthly charges for AEP Zone:** On a monthly basis, revenue credits shall be calculated based on the sum of AEP's share of revenues collected during the month from: (i) the PJM Border Rate under Schedule 7; (ii) Network Integration Transmission Service to Non-Zone Network Load under Attachment H-A; and (iii) Firm Point-To-Point Transmission Service where the Point of Delivery is internal to the AEP Zone. The sum of these revenue credits will appear as an adjustment (reduction) to the gross monthly rate stated above on a Transmission Customer's bill in that month for service under this schedule.
- 10) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.