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December 11, 2024

The Honorable Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: The Potomac Edison Company  
Docket No. ER25-\_\_\_\_-000**

**Request for Order Authorizing Recovery of Abandoned Plant Costs**

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act (the “FPA”)<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or the “Commission”),<sup>2</sup> The Potomac Edison Company (“Potomac Edison”) submits this filing<sup>3</sup> to request recovery through its existing formula rate of \$2.45 million in total costs it incurred<sup>4</sup> toward rebuilding the Potomac Edison-owned portion of the Doubs-Goose Creek 500 kilovolt (“kV”) Transmission Line (the “Doubs-Goose Creek Rebuild Project”

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35.

<sup>3</sup> Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. (“PJM”) on behalf of Potomac Edison as part of an XML filing package that conforms with the Commission’s regulations. *See Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *order on reh’g*, Order No. 714-A, 147 FERC ¶ 61,115 (2014). PJM has agreed to make all filings on behalf of the PJM Transmission Owners (“TOs”), which include Potomac Edison, in order to retain administrative control over the PJM Open Access Transmission Tariff (“OATT”). Thus, Potomac Edison has requested PJM to submit Attachment H-11 to the PJM OATT (*see infra* note 8) in the eTariff system as part of PJM’s electronic Intra-PJM Tariffs (available in eTariff at <https://etariff.ferc.gov/TariffBrowser.aspx?tid=1731>).

<sup>4</sup> The exact costs comprising the total amount are broken out below in Section II of this filing and the exhibits cited therein.

or the “Project”), prior to Potomac Edison’s abandonment of the Project.<sup>5</sup> As explained below, the Project was abandoned on December 11, 2023, when the PJM Board of Managers (“PJM Board”) adopted the recommendations contained in a White Paper issued by the Transmission Expansion Advisory Committee (“TEAC”) of PJM selecting a Regional Transmission Expansion Plan (“RTEP”) 2022 Window 3 solution in lieu of the Project. The Doubs-Goose Creek corridor components of the PJM 2022 RTEP Window 3 Recommended Solution completely overlap and supersede Potomac Edison’s supplemental rebuild Project. This was solely the decision of PJM as the Regional Transmission Organization (“RTO”) responsible for planning the expansion of the PJM transmission system. Therefore, the abandonment of the Project was beyond Potomac Edison’s control.

On October 30, 2023, the Commission issued an order granting a request filed by Potomac Edison in Docket No. ER23-2744 (the “Abandoned Plant Incentive Filing”) for authorization to recover 100 percent of prudently incurred costs for the Project in the event it was cancelled or abandoned for reasons beyond Potomac Edison’s control (the “Abandoned Plant Incentive”).<sup>6</sup> The Commission found that granting the Abandoned Plant Incentive made Potomac Edison eligible to seek to recover, in a subsequent filing submitted under Section 205 of the FPA, 100 percent of its abandonment costs for the Project incurred on and after October 31, 2023, with Potomac Edison also being eligible to seek recovery of 50 percent of its abandonment costs for the Project incurred prior to October 31, 2023.<sup>7</sup>

In accordance with the October 30 Order, Potomac Edison requests that the Commission authorize it to recover the 50-percent and 100-percent abandoned plant cost amounts for the Project described herein. As explained in this filing, all of those cost amounts were prudently incurred and Potomac Edison abandoned the Project immediately following PJM’s notification that the Project was completely overlapped and superseded by another solution selected by PJM. Potomac Edison requests that the Commission issue an order authorizing this cost recovery by February 10, 2025.<sup>8</sup>

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<sup>5</sup> The Commission’s policy is that a utility should submit an abandoned plant cost recovery filing within one year after the relevant project was formally abandoned or cancelled, unless the utility can show good cause for seeking such cost recovery beyond the one-year point. See *Duquesne Light Co.*, 184 FERC ¶ 61,018, at PP 16 & n.33 (2023) (the “Duquesne Cost Recovery Order”); *Duke Energy Carolinas, LLC*, 168 FERC ¶ 61,194, at PP 12, 24-26 (2019). Potomac Edison is submitting the instant filing one year after the Doubs-Goose Creek Rebuild Project was abandoned.

<sup>6</sup> *The Potomac Edison Co.*, 185 FERC ¶ 61,083 (2023) (the “October 30 Order”).

<sup>7</sup> *Id.* at P 30.

<sup>8</sup> Potomac Edison makes this filing through eTariff by including a duplicate of its existing tariff record for Attachment H-11 to the PJM OATT, entitled “Annual Transmission Rates – South FirstEnergy Operating Companies for Network Integration Transmission Service,” with an updated effective date of February 11, 2025, *i.e.*, one day after the date requested above for issuance of a Commission order. The duplicate tariff record is provided in Exhibit A to this filing. Potomac Edison’s submittal of this duplicate tariff record, in conjunction with its request for a Commission order authorizing the cost

## **I. Background**

### **A. Potomac Edison**

Potomac Edison is a wholly owned subsidiary of FirstEnergy Corp. (“FirstEnergy”) that is organized under the laws of Maryland and Virginia. Potomac Edison owns and operates electric facilities for the transmission and distribution of electric power in Virginia, Maryland, and West Virginia. Specifically, Potomac Edison provides transmission and distribution service in portions of Maryland and West Virginia, and provides transmission service in Virginia.

Potomac Edison’s wholesale and transmission rates and operations are regulated by the Commission, and its retail and distribution rates and operations are regulated by state agencies. Potomac Edison’s transmission facilities, as well as those of its various transmission-owning affiliates, are under PJM’s operational control. PJM provides service over those facilities pursuant to the PJM OATT. Attachment H-11 to the PJM OATT includes Potomac Edison’s existing formula rate.

### **B. The Doubs-Goose Creek Rebuild Project**

As also explained in the Abandoned Plant Incentive Filing,<sup>9</sup> the Doubs-Goose Creek 500 kV Transmission Line (the “Line”) is primarily located in Frederick and Montgomery Counties, Maryland. The Line was constructed in 1966 and is 18.3 miles long (all but 200 feet are in Maryland and the point of interconnection is the first structure in Virginia). Potomac Edison owns 15.2 miles of the Line and Dominion Energy Virginia (“Dominion”) owns the remaining 3.1 miles.

The Line is an overhead, extra-high voltage (“EHV”) transmission facility that links the EHV system in Maryland to the EHV system in Virginia. The Line is a tie-line between the Allegheny Power System (“APS”) Zone and the Dominion Zone, two of the transmission zones in PJM.

The Line is very near the end of its service life. In order to maintain the reliability of the transmission system and to comply with mandatory North American Electric Reliability Corporation (“NERC”) Reliability Standards, Potomac Edison determined that it should rebuild its portion of the Line and Dominion determined it should rebuild its own portion. Potomac Edison estimated its total rebuilding cost would be \$66 million and that the Doubs-Goose Creek Rebuild Project would go into service in June 2025.

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recovery described above, is consistent with the direction provided in the Commission’s *Notice of Procedures for Making Statutory Filings When Authorization for New or Revised Tariff Provisions Is Not Required*, Docket No. RM01-5-000 (June 3, 2020). Apart from providing an updated effective date, Potomac Edison does not propose any changes to Attachment H-11 to the PJM OATT or propose any other tariff revisions or rate changes in this filing.

<sup>9</sup> See Abandoned Plant Incentive Filing at 3-4.

Among the actions Potomac Edison took related to rebuilding its portion of the Line was to enter into an Engineering, Procurement, and Construction (“EPC”) Agreement with Dominion Energy Technical Solutions, Inc. (“Technical Solutions”), under which Technical Solutions would perform certain engineering, procurement, and construction functions for the Project.<sup>10</sup>

**C. Inclusion of the Potomac Edison Doubs-Goose Creek Rebuild Project as a Supplemental Project in the PJM RTEP**

As also explained in the Abandoned Plant Incentive Filing,<sup>11</sup> Potomac Edison is a TO in the PJM region and participates fully in PJM’s transmission planning process. Potomac Edison is obligated under the PJM Operating Agreement to construct, operate, and own transmission facilities as designated by PJM in its annual RTEP.

PJM, in its capacity as the regional Planning Coordinator, Transmission Planner, and Transmission Operator, identifies the need and timing for mandatory transmission system upgrades as part of the reliability planning, economic planning, and interconnection planning processes to preserve the reliability of the electricity grid that is under PJM’s operational control as an RTO. The PJM planning process ultimately produces an RTEP approved by the PJM Board each year. The RTEP identifies transmission system upgrades and enhancements to provide for the operational, economic, and reliability requirements of PJM customers. The RTEP consists of system upgrades produced from one or more of four planning processes: reliability planning; economic planning; interconnection planning; and local planning.

Supplemental Projects are upgrades initiated by a TO and are part of the local planning process. Potomac Edison proposed the Doubs-Goose Creek Rebuild Project as a Supplemental Project pursuant to Attachment M-3 to the PJM OATT, after which the Project was included in the PJM RTEP for 2025 and was assigned Supplemental Project ID number s2386 by PJM. In addition, the Public Service Commission of Maryland (the “Maryland PSC”) granted Potomac Edison a Certificate of Public Convenience and Necessity (“CPCN”) to construct the Project, subject to Potomac Edison’s satisfaction of certain specified conditions that Potomac Edison had already agreed to meet.<sup>12</sup>

**D. The Abandoned Plant Incentive Filing and the October 30 Order**

On August 31, 2023, Potomac Edison submitted the Abandoned Plant Incentive Filing to request a Commission order authorizing Potomac Edison to recover 100 percent

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<sup>10</sup> See *id.* at 4 n.10. As noted in the Abandoned Plant Incentive Filing, other applicants with comparable contractual arrangements have received abandoned plant incentives from the Commission. *Id.* (citing *Citizens S-Line Transmission LLC*, 175 FERC ¶ 61,046, at P 4 (2021), and *Citizens Energy Corp.*, 157 FERC ¶ 61,150, at P 4 (2016)).

<sup>11</sup> See Abandoned Plant Incentive Filing at 5-6.

<sup>12</sup> See *id.* at 6-8.

of prudently incurred costs of the Project in the event it was cancelled or abandoned for reasons beyond Potomac Edison's control, effective October 31, 2023 (*i.e.*, 61 days after the submittal of the Abandoned Plant Incentive Filing).<sup>13</sup> As relevant to the instant filing, Potomac Edison explained that the Project faced significant risks and challenges that could result in abandonment or cancellation, and that authorization of the Abandoned Plant Incentive would address those risks and challenges. One of the risks and challenges identified by Potomac Edison concerned the potential for the Project to be superseded by a different solution that might be chosen by PJM:

Although the Potomac Edison Doubs-Goose Creek Rebuild Project has been incorporated into the PJM RTEP, there is a risk that the Project will be superseded by the outcome of a competitive solicitation currently being conducted by PJM as part of its 2022 RTEP Window 3. This solicitation is aimed at identifying transmission enhancements to address forecasted load growth in the area of the Line, including load associated with large data centers in Northern Virginia. The solution chosen by PJM may obviate the need for the Project.<sup>14</sup>

In the October 30 Order, the Commission granted the Abandoned Plant Incentive effective October 31, 2023, as requested by Potomac Edison.<sup>15</sup> The Commission addressed the risks and challenges identified in the filing, including Potomac Edison's explanation that, "although the Project has been incorporated into the PJM RTEP, there is a risk that the Project will be superseded by the outcome of a competitive solicitation conducted by PJM."<sup>16</sup>

The Commission agreed with Potomac Edison that "the Project faces risks beyond Potomac Edison's control that could lead to the Project's abandonment, and that approval of the Abandoned Plant Incentive will address those risks."<sup>17</sup> The Commission went on to find:

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<sup>13</sup> See *id.* at 1-3.

<sup>14</sup> *Id.* at 12 (internal footnote omitted). Potomac Edison also explained that the competitive solicitation then being conducted by PJM as part of its 2022 RTEP Window 3 began over a year after Potomac Edison filed its application with the Maryland PSC for a CPCN for the Project on August 3, 2021. Potomac Edison filed the application for a CPCN because the Line is very near the end of its service life. Thus, Potomac Edison stated that although the Project may ultimately be cancelled depending on the outcome of the PJM competitive solicitation, due to the condition of the Line and its implications for PJM system reliability, it was appropriate and necessary for Potomac Edison to move forward with developing the Project, and to continue to do so pending the outcome of the PJM solicitation. This was the case regardless of the solution ultimately chosen by PJM in the competitive solicitation, including the solution proposed by FirstEnergy. *Id.* at 12 n.48.

<sup>15</sup> See October 30 Order at P 1 and Ordering Paragraphs (A) and (B).

<sup>16</sup> *Id.* at PP 20-21. The Commission also noted Potomac Edison's explanation about PJM's competitive solicitation beginning over a year after Potomac Edison filed its application for a CPCN. *Id.* at P 21 n.38.

<sup>17</sup> *Id.* at P 29.

Consistent with Commission policy, the Abandoned Plant Incentive for the Project will be available to Potomac Edison for 100% of prudently incurred costs expended on and after the effective date granted in this order, if the Project is abandoned for reasons beyond Potomac Edison's control. We will not determine the prudence of any costs incurred prior to the abandonment, if any, until Potomac Edison seeks such recovery in a future section 205 filing.<sup>18</sup>

The Commission also noted that “[i]n the event that Potomac Edison seeks abandoned plant recovery for the time period prior to the effective date of this order [*i.e.*, prior to October 31, 2023], Potomac Edison would be eligible to seek recovery of 50% of its prudently incurred costs, consistent with prior precedent.”<sup>19</sup>

#### **E. Abandonment of the Potomac Edison Doubs-Goose Creek Rebuild Project**

As PJM has explained on its website and to the Commission in a separate proceeding, PJM opened its competitive solicitation for 2022 RTEP Window 3 on February 24, 2023 to develop holistic solutions that address 2027-28 baseline violations associated with local constraints, regional constraints, reactive power needs, and the cumulative impact of generation changes and deactivations. The competitive solicitation for 2022 RTEP Window 3 closed on May 31, 2023. PJM received 72 proposals from 10 entities in this competitive solicitation process, evaluated the proposals, and ultimately recommended to the PJM Board a comprehensive set of baseline reliability project solutions to address the needs identified by PJM in its problem statement for 2022 RTEP Window 3 that includes components of proposals submitted by seven incumbent transmission owners and non-incumbent transmission developers.<sup>20</sup>

In November 2023, Potomac Edison became aware that PJM had selected a solution pursuant to the competitive solicitation PJM had conducted as part of its 2022 RTEP Window 3, in lieu of Potomac Edison's Supplemental Project (*i.e.*, the Doubs-

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<sup>18</sup> *Id.* at P 30 (citing *Promoting Transmission Investment through Pricing Reform*, Order No. 679, 116 FERC ¶ 61,057, at P 163, 165-66 (2006) (“Order No. 679”); *San Diego Gas & Elec. Co. v. FERC*, 913 F.3d 127, 137-38 (D.C. Cir. 2019); *NextEra Energy Transmission Midwest, LLC*, 166 FERC ¶ 61,169, at P 21 (2019); *GridLiance W. Transco LLC*, 164 FERC ¶ 61,049, at P 20 (2018); *Pac. Gas & Elec. Co.*, 163 FERC ¶ 61,187, at P 14 (2018); and *Midcontinent Indep. Sys. Operator, Inc.*, 182 FERC ¶ 61,039, at P 28 (2023)).

<sup>19</sup> October 30 Order at P 30 n.51 (citing *San Diego Gas & Elec. Co.*, 154 FERC ¶ 61,158, *order on reh'g*, 157 FERC ¶ 61,056 (2016), *aff'd sub nom. San Diego Gas & Elec. Co. v. FERC*, 913 F.3d 127 (D.C. Cir. 2019)).

<sup>20</sup> Transmittal letter for PJM filing of revisions to the PJM OATT to incorporate cost responsibility assignments for RTEP baseline upgrades, Docket No. ER24-843-000, at 1 & n.3 (Jan. 10, 2024); <https://www.pjm.com/planning/competitive-planning-process>.

Goose Creek Rebuild Project). On November 30, 2023, Potomac Edison sent an email to the Manager, Transmission Coordination & Analysis at PJM that read:

I'm following up on our previous conversations/communications about the status of FirstEnergy's supplemental project (s2386) to rebuild the Doubs-Goose Creek 500 kV Line. Please confirm that PJM has concluded the component in this corridor from the recommended solution for the PJM RTEP 2022 Window 3 would completely overlap and supersede FirstEnergy's supplemental rebuild project s2386, removing the need for the supplemental project.

That same day, the PJM Manager provided the following response: "PJM confirms that the Doubs – Goose Creek corridor components of the PJM 2022 RTEP Window 3 Recommended Solution will completely overlap and supersede FirstEnergy's supplemental rebuild project s2386."<sup>21</sup>

As indicated in this exchange, the scope of the Doubs-Goose Creek Rebuild Project was narrower than the scope of the 2022 RTEP Window 3 solution. The scope of the Project was to rebuild an existing single-circuit 500 kV transmission line constructed on lattice towers in kind. In contrast, the scope of the PJM 2022 RTEP Window 3 solution is to rebuild the existing single-circuit 500 kV transmission line and a double-circuit 230 kV transmission line with two 500 kV lines and two 230 kV lines in the relevant transmission line corridor. One 500 kV circuit and one 230 kV circuit will be constructed in a vertical design on a steel pole, and there will be two of these pole lines within the corridor. In addition, a third 500 kV line on steel poles will also occupy the corridor.

In December 2023, TEAC issued a White Paper containing its recommendations to the PJM Board.<sup>22</sup> The TEAC White Paper recommended that the PJM Board authorize the 2022 RTEP Window 3 solutions and, as a related matter, included the following under the heading "Cancellations":

Project b3247 (Dominion portion of Doubs-Goose Creek 500 kV rebuild for End of Life ("EOL")) is no longer required as the recommended 2022 Window 3 solution replaces this scope of work, and yields a net decrease of \$7.6 million.

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<sup>21</sup> This email exchange (with email addresses and telephone numbers redacted) is provided in Exhibit B to this filing.

<sup>22</sup> Transmission Expansion Advisory Committee (TEAC) Recommendations to the PJM Board (Dec. 2023) (the "TEAC White Paper"), available on the PJM website at <https://pjm.com/-/media/committees-groups/committees/teac/2023/20231205/20231205-pjm-teac-board-whitepaper-december-2023.ashx>.

Note: The related supplemental project s2386, which includes the FirstEnergy (APS) portion of the Doubs-Goose Creek 500 kV EOL rebuild, is being converted to a baseline and is included in the recommended 2022 Window 3 solution.<sup>23</sup>

The PJM Board adopted the recommendations of the TEAC, including those quoted above, at the PJM Board meeting held on December 11, 2023.<sup>24</sup> Although, as indicated above, a rebuild of the Doubs-Goose Creek 500 kV Transmission Line is being included as part of the recommended 2022 RTEP Window 3 solutions selected by PJM pursuant to that competitive solicitation, a portion of the costs of the Supplemental Project (the Doubs-Goose Creek Rebuild Project) will not go towards the rebuild that will form a portion of the 2022 RTEP Window 3 baseline project. Thus, it is appropriate that the Supplemental Project be treated as abandoned and to allow recovery of prudently incurred costs relating to materials and expenses that will not go towards the 2022 RTEP Window 3 baseline project and that cannot be repurposed for use on any project.

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<sup>23</sup> TEAC White Paper at 2.

<sup>24</sup> See the meeting minutes of the PJM Board regarding its December 11, 2023 meeting at page 5 (item (c) under the paragraph that begins “NOW, THEREFORE, BE IT RESOLVED . . .”), available on the PJM website at <https://www.pjm.com/-/media/about-pjm/who-we-are/board-meetings/2023/20231211/20231211-minutes.ashx>. Also, on July 26, 2024, Potomac Edison filed a notice of withdrawal with the Maryland PSC to cancel the CPCN previously granted for the Doubs-Goose Creek Rebuild Project. See <https://webpscxb.psc.state.md.us/DMS/case/9669>.

## **II. Request to Recover the Abandoned Plant Costs of the Doubs-Goose Creek Rebuild Project**

For the reasons explained below, the Commission should authorize Potomac Edison to recover 50 percent of the abandoned plant costs incurred for the Doubs-Goose Creek Rebuild Project prior to October 31, 2023, and should authorize Potomac Edison to recover 100 percent of the abandoned plant costs incurred for the Project on October 31, 2023 and afterwards.<sup>25</sup> Further support for this cost recovery is provided in Exhibits C through F hereto.<sup>26</sup>

### **A. Project Costs Incurred Prior to October 31, 2023**

#### **1. Recoverable Costs**

As the Commission explained in the October 30 Order, Potomac Edison is eligible to seek recovery of 50 percent of abandoned plant costs for the Project prudently incurred prior to October 31, 2023, consistent with prior precedent.<sup>27</sup>

The Doubs-Goose Creek Rebuild Project was abandoned on December 11, 2023, when the PJM Board adopted the recommendations in the TEAC White Paper. The costs incurred for the Project prior to October 31, 2023 totaled \$4,040,469.82, which means that Potomac Edison is eligible to recover \$2,020,234.91 (*i.e.*, 50 percent) of these costs (the “Recoverable Pre-October 31 Costs”).

As shown in Exhibits C through F to this filing, the Recoverable Pre-October 31 Costs consist of three categories of costs that add up to the 50-percent amount listed immediately above:

1. Administrative costs that amount to \$723,144.11. These consist of costs for project overhead (\$409,136.60), allowance for funds used during construction (“AFUDC”) (\$284,583.10), employee expenses (\$4,555.83), licenses and permits (\$5,000.00), and required public notices (\$19,868.58).
2. Internal labor costs that amount to \$232,882.77. These consist of costs for project management (\$57,944.35), engineers (\$75,839.90), environmental/siting (\$27,280.24), real estate (\$5,003.20), information technology (\$6,040.47), internal legal (\$32,499.20), rates department (\$10,366.24), and transmission operations (\$17,909.19).

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<sup>25</sup> In this filing, Potomac Edison does not request recovery of any of the costs for conductors and fiber incurred for the Project, because those materials are being repurposed for other uses.

<sup>26</sup> *See, e.g.*, Duquesne Cost Recovery Order at P 25; *S. Cal. Edison Co.*, 148 FERC ¶ 61,126, at P 23 (2014).

<sup>27</sup> October 30 Order at P 30 n.51.

3. Contracted labor costs that amount to \$1,064,208.03. These consist of costs for contracted legal work (\$113,998.31), geotechnical investigation (\$250,667.21), real estate support (\$1,055.48), non-Dominion (*i.e.*, non-Technical Solutions) engineering (\$386,733.89), non-Dominion project management (\$69,604.15), pre-EPC Agreement work by Dominion (\$13,849.05), and work by Dominion pursuant to the EPC Agreement (\$228,299.96).

Potomac Edison charged these administrative, internal labor, and contracted labor in the same manner it charges such costs for other transmission projects.

Potomac Edison's entering into the EPC Agreement with Technical Solutions for a portion of the contracted labor costs resulted in minimizing the internal labor costs described above. Furthermore, while PJM was reviewing the results of the competitive solicitation for the 2022 RTEP Window 3 solution, Potomac Edison limited its spending on the Doubs-Goose Creek Rebuild Project. Specifically, Potomac Edison limited its contracted labor costs by minimizing the engineering work and only performing activities necessary to keep required permits and siting obligations open. At the time, it was uncertain whether PJM would adopt the 2022 RTEP Window 3 solutions. Potomac Edison wanted to make sure it could perform work on the Project to allow its completion within the time frame established by PJM in the event the 2022 RTEP Window 3 solutions were not adopted.

No changes are required to the Potomac Edison formula rate (contained in Attachment H-11 to the PJM OATT) to permit recovery of the Recoverable Pre-October 31 Costs, because the formula rate already includes a placeholder for Commission-approved recovery of abandoned plant costs.<sup>28</sup> Potomac Edison will recoup the Recoverable Pre-October 31 Costs as a regulatory asset by including those costs in the formula rate following Commission approval in the instant proceeding.

## **2. Accounting and Tax Treatment**

The accounting treatment for the Recoverable Pre-October 31 Costs is consistent with Potomac Edison's showing that they were prudently incurred. In accordance with the Commission's Uniform System of Accounts and the Potomac Edison formula rate contained in Attachment H-11 to the PJM OATT, Potomac Edison recorded the work in progress for the Doubs-Goose Creek Rebuild Project in Account 107 (entitled Construction work in progress—Electric) ("CWIP"). After the Project was abandoned and in anticipation of this filing, Potomac Edison transferred the Recoverable Pre-October 31 Costs in Account 107 to Account 182.3 (entitled Other regulatory assets). Potomac Edison calculated the transferred Recoverable Pre-October 31 Costs by reviewing individual charges at the work orders level for the Project. Charges were recorded and transferred at original cost. These costs are subject to going-forward

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<sup>28</sup> See Attachment H-11A to the PJM OATT (formula rate template), at Attachment 16 – Summary, and Attachment 16.

accounting entries for debits and credits associated with the orderly closing of business related to development of the Project. Potomac Edison uses accounting systems and practices that ensure the Recoverable Pre-October 31 Costs are properly recorded and do not result in double recovery.<sup>29</sup>

Potomac Edison requests Commission authorization to amortize the Recoverable Pre-October 31 Costs, over a one-year period, to Account 407 (entitled Amortization of property losses, unrecovered plant and regulatory study costs).<sup>30</sup> The Commission considers the appropriate amortization period on a case-by-case basis.<sup>31</sup> The Commission has approved amortization periods of one year associated with abandoned plant cost recovery in other proceedings,<sup>32</sup> and should do the same here. Potomac Edison anticipates future tax deductions in the same tax year the regulatory asset is amortized.<sup>33</sup>

Potomac Edison has not received any income tax benefits associated with abandoned plant recorded in Account 182.3. Future tax deductions are anticipated in the same tax year the regulatory asset is amortized in accordance with accounting treatment. Additionally, because the Doubs-Goose Creek Rebuild Project costs were recorded in CWIP and not placed in service, Potomac Edison did not receive any accelerated tax benefits. Consequently, there are no timing differences associated with the abandoned plant.

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<sup>29</sup> See, e.g., Duquesne Cost Recovery Order at P 25 & n.42 (granting abandoned plant cost recovery in relevant part because, “[b]ased on the information provided, we find that Duquesne has demonstrated that there was no double-recovery.”) (citing Order No. 679 at P 166, which explained that “the Commission will evaluate the public utility’s cost recovery to ensure no double recovery of costs”). The 50 percent of costs incurred for the Project prior to October 31, 2023 that were not included in the Recoverable Pre-October 31 Costs were expensed to shareholders under Account 426.5 (entitled Other deductions).

<sup>30</sup> See, e.g., Duquesne Cost Recovery Order at P 28.

<sup>31</sup> *Pub. Serv. Elec. & Gas Co.*, 140 FERC ¶ 61,197, at P 27 (2012).

<sup>32</sup> See, e.g., Duquesne Cost Recovery Order at P 27 (“With respect to the amortization period, we accept Duquesne’s one year amortization proposal. We find that this approach will reduce potential overall costs by avoiding years of carrying costs, and, accordingly, will reduce the impact on Duquesne’s overall revenue requirement.”); *S. Cal. Edison Co.*, 155 FERC ¶ 61,169, at P 22 (2016) (providing same rationale for approving one-year amortization period); *Pub. Serv. Elec. & Gas Co.*, 140 FERC ¶ 61,197, at P 27 (“Here, we are persuaded by the Joint Consumer Advocate’s argument that a one-year amortization period is reasonable in this case. This outcome is consistent with *Southern California Edison Company*, where the Commission found that a one-year amortization period would be appropriate for the recovery of abandonment costs in light of the relatively small amount to be recovered here.”) (citing *S. Cal. Edison Co.*, 137 FERC ¶ 61,252, at P 27 (2011)).

<sup>33</sup> See *New Eng. Power Co.*, Opinion No. 295, 42 FERC ¶ 61,016, at 61,082 (“The deferred income taxes associated with the 50 percent of abandonment costs which are being allocated to ratepayers will be accumulated [in the relevant deferred tax account] and will be used as a reduction to ratebase for ratemaking purposes.”), *order on reh’g*, 43 FERC ¶ 61,285, at 61,781 (1988) (“Under the new policy, ratepayers are entitled to the income tax deduction associated with that portion of the loss for which they are paying. They are similarly entitled to a ratebase reduction to reflect the accumulated deferred income tax amounts associated with fifty percent of the abandonment loss.”); 18 C.F.R. § 35.24.

**B. Project Costs Incurred On and After October 31, 2023**

**1. Recoverable Costs**

Pursuant to the Abandoned Plant Incentive granted in the October 30 Order, Potomac Edison is eligible to seek recovery of 100 percent of the abandoned plant costs for the Doubs-Goose Creek Rebuild Project prudently incurred on and after October 31, 2023 due to abandonment of the Project for reasons beyond Potomac Edison's control.<sup>34</sup> As explained above, the Project was abandoned on December 11, 2023, when the PJM Board adopted the recommendations in the TEAC White Paper.

Because this selection of the RTEP 2022 Window 3 solution in lieu of the Project was solely the decision of PJM, as the RTO responsible for planning the expansion of the PJM transmission system, the subsequent abandonment of the Project was beyond Potomac Edison's control. The Commission has found in previous proceedings on utilities' requests for abandoned plant cost recovery that cancellation of a project by PJM was beyond the utility's control.<sup>35</sup> The Commission should make a comparable finding here.

The costs incurred for the Project on and after October 31, 2023, for which Potomac Edison is eligible to receive 100 percent cost recovery, totaled \$430,765.07 (the "Recoverable October 31-Forward Costs"). As shown in Exhibits C through F to this filing, the Recoverable October 31-Forward Costs consist of the same three categories of costs as the Recoverable Pre-October 31 Costs described above, and add up to that 100-percent amount:

1. Administrative costs that amount to \$165,111.03. These consist of costs for project overhead (\$223.31), AFUDC (\$159,413.72), and employee expenses (\$5,474.00).
2. Internal labor costs that amount to \$49,946.94. These consist of costs for project management (\$2,477.33), engineers (\$1,078.72), environmental/siting (\$426.78), information technology (\$35.65), internal legal (\$740.24), supply chain (\$29,226.00), and transmission operations (\$15,962.22).

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<sup>34</sup> October 30 Order at P 30.

<sup>35</sup> *See, e.g.,* Duquesne Cost Recovery Order at P 24 ("We find that the reinstatement of generating units by the FirstEnergy Companies resulted in the cancellation of the Projects by PJM, and therefore Duquesne has demonstrated that the Projects were abandoned for reasons beyond Duquesne's control.") (internal citations omitted). *See also PJM Interconnection, L.L.C. & Baltimore Gas & Elec. Co.*, 152 FERC ¶ 61,254, at P 8 (2015) ("We find that, during the development of the MAPP Project, PJM discovered that the reliability drivers no longer existed for the project through the 15-year planning cycle and subsequently cancelled the project, and that those circumstances were beyond BGE's control.").

3. Contracted labor costs that amount to \$215,707.10. These consist of costs for legal work (\$8,634.89), leases, freight, and recycling (\$163,715.51), non-Dominion engineering (\$4,599.95), non-Dominion project management (\$6,595.75), and work by Dominion pursuant to the EPC Agreement (\$32,161.00).

As is also true for the Recoverable Pre-October 31 Costs, Potomac Edison charged these administrative, internal labor, and contracted labor costs in the same manner it charges such costs for other transmission projects. No changes are required to the existing Potomac Edison formula rate to permit recovery of the Recoverable October 31-Forward Costs, because the formula rate already includes a placeholder for Commission-approved recovery of abandoned plant costs. Potomac Edison will recoup the Recoverable October 31-Forward Costs as a regulatory asset by including those costs in the formula rate following Commission approval in the instant proceeding.

## **2. Accounting and Tax Treatment**

Potomac Edison proposes to use the same accounting treatment for the Recoverable October 31-Forward Costs as for the Recoverable Pre-October 31 Costs described above in Section II.A.2 of this filing. Moreover, Potomac Edison requests authorization to amortize the Recoverable October 31-Forward Costs over a one-year period for the same reasons it proposes that amortization period for the Recoverable Pre-October 31 Costs. Potomac Edison anticipates future tax deductions in the same tax year the regulatory asset is amortized. In addition, as explained above with regard to the Recoverable Pre-October 31 Costs, Potomac Edison has not received any income tax benefits associated with abandoned plant recorded in Account 182.2, nor were there any timing differences associated with the abandoned plant.

## **III. Request for Commission Order**

Potomac Edison requests that the Commission issue an order authorizing the cost recovery described above in Section II of this filing by February 10, 2025.

## **IV. Request for Waivers and Representations**

Potomac Edison request waiver of the following sections of the Commission's regulations: Section 35.13(d)(1)-(2), 18 C.F.R. § 35.13(d)(1)-(2) (requiring Period I and Period II data for Statements AA through BM); Section 35.13(d)(5), 18 C.F.R. § 35.13(d)(5) (requiring work papers related to Period I and Period II data); and Section 35.13(h), 18 C.F.R. § 35.13(h) (requiring cost of service statements). Detailed statements of Potomac Edison's costs of service are unnecessary because the proposed abandonment cost recovery reflects cost inputs to the formula rates that are derived from the FERC Form No. 1 of Potomac Edison, and detailed support regarding these inputs is contained in this filing. To the extent additional waivers are necessary to accept this filing, Potomac Edison respectfully requests such waivers.

In accordance with Section 35.13(b) of the Commission's regulations, 18 C.F.R. § 35.13(b), Potomac Edison represents that: (1) no additional agreement, by contract or otherwise, is required for the filing of this rate; and (2) there are no expenses or costs included in this filing that have been alleged or judge in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices, within the meaning of Section 35.13(b)(7) of the Commission's regulations, 18 C.F.R. § 35.13(b)(7).

## **V. Contents of Filing**

In addition to this transmittal letter, this filing contains the following exhibits:

- |           |   |
|-----------|---|
| Exhibit A | Clean tariff record of Attachment H-11 to the PJM OATT                                |
| Exhibit B | E-mail exchange between Potomac Edison and PJM  |
| Exhibit C | Overview of Recoverable Pre-October 31 Costs and Recoverable October 31-Forward Costs |
| Exhibit D | Support for recoverable administrative costs  |
| Exhibit E | Support for recoverable internal labor costs  |
| Exhibit F | Support for recoverable contracted labor costs <sup>36</sup>                          |

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<sup>36</sup> In Exhibit C hereto, the amounts shown in the column entitled "50% Recovery" constitute the Recoverable Pre-October 31 Costs. Exhibits D, E, and F also include such columns entitled "50% Recovery," as well as columns entitled "50% Recovery (Gross)" that show the full sets of costs incurred for the Doubs-Goose Creek Rebuild Project prior to October 31, 2023 for each row in those exhibits, which Potomac Edison then multiplied by 50 percent to equal the Recoverable Pre-October 31 Costs. In addition, Exhibits D, E, and F include columns entitled "Total Recovery" that show the sum of the Recoverable Pre-October 31 Costs and the Recoverable October 31-Forward Costs for each row in those exhibits.

## **VI. Correspondence and Communications**

All notices, correspondence, and communications regarding this filing should be directed to the following individuals and their names should be placed on the official service list maintained by the Secretary for this proceeding.<sup>37</sup>

Evan K. Dean  
Senior Corporate Counsel  
FirstEnergy Service Company  
76 South Main St.  
Akron, OH 44308  
Tel: (330) 606-0392  
[edean@firstenergycorp.com](mailto:edean@firstenergycorp.com)

Michael Kunselman  
Bradley R. Miliauskas  
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[bradleymiliauskas@dwt.com](mailto:bradleymiliauskas@dwt.com)

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>38</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <https://www.pjm.com/library/filing-order> with a specific link to the newly filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>39</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <https://www.ferc.gov/ferc-online/elibrary> in accordance with the Commission's regulations and Order No. 714.

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<sup>37</sup> Potomac Edison respectfully requests waiver of 18 C.F.R. Section 203(b)(3) to permit more than two individuals to be listed on the official service list. *See* 18 C.F.R. § 203(b)(3).

<sup>38</sup> *See* 18 C.F.R §§ 35.2(e), 385.2010(f)(3).

<sup>39</sup> PJM already maintains, updates, and regularly uses e-mail lists for all PJM members and affected state commissions.

**VII. Conclusion**

For the reasons set forth above, Potomac Edison respectfully requests that the Commission issue an order by February 10, 2025 authorizing the recovery of abandoned plant costs for the Doubs-Goose Creek Rebuild Project described herein.

Respectfully submitted,

Evan K. Dean  
Senior Corporate Counsel  
FirstEnergy Service Company  
76 South Main St.  
Akron, OH 44308

/s/ Bradley R. Miliauskas  
Michael Kunselman  
Bradley R. Miliauskas  
Davis Wright Tremaine LLP  
1301 K Street, NW  
Suite 500 East  
Washington, DC 20005

*Counsel for The Potomac Edison Company*

# EXHIBIT A

## **ATTACHMENT H-11**

### **Annual Transmission Rates — South FirstEnergy Operating Companies for Network Integration Transmission Service**

1. The transmission revenue requirement and the rate for Network Integration Transmission Service are equal to the results of the formula shown in Attachment H-11A, and will be posted on the PJM website pursuant to Attachment H-11B (Formula Rate Protocols). The transmission revenue requirement and the rate reflect the cost of providing transmission service over the 115 kV and higher transmission facilities by South FirstEnergy Operating Companies or “SFC.” Service utilizing facilities of SFC at voltages below 115 kV will be provided at rates determined in Attachment H-11A and on a case-by-case basis as stated in service agreements with affected customers.
2. The formula rate set forth in Attachment H-11A shall be calculated on the basis of projections, subject to true-up to actual data in accordance with the adjustment mechanism described in Attachment H-11B (Formula Rate Protocols).
3. The rate and revenue requirement in this attachment shall be effective until amended by SFC or modified by the Commission.
4. In addition to the rate set forth in paragraph 1 above, a Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse SFC for applicable 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.

# **EXHIBIT B**

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**From:** Caven, Augustine  
**Sent:** Thursday, November 30, 2023 3:21 PM  
**To:** Hozempa, Lawrence A  
**Cc:** Abdulsalam, Sami; Lojek, Jacquelyn L  
**Subject:** [EXTERNAL] RE: Doubs-Goose Creek 500 kV Line supplemental project s2386

External sender, use caution with links/attachments. Click 'Report Message' in Outlook if suspicious.

Larre,

PJM confirms that the Doubs – Goose Creek corridor components of the PJM 2022 RTEP Window 3 Recommended Solution will completely overlap and supercede FirstEnergy's supplemental rebuild project s2386.

Thank you.  
Augustine Caven

Manager, Transmission Coordination & Analysis

PJM Interconnection | 2750 Monroe Blvd. | Audubon, PA 19403

**From:** Hozempa, Lawrence A  
**Sent:** Thursday, November 30, 2023 2:27 PM  
**To:** Caven, Augustine  
**Cc:** Abdulsalam, Sami ; Lojek, Jacquelyn L  
**Subject:** Doubs-Goose Creek 500 kV Line supplemental project s2386

**! External Email! Think before clicking links or attachments.**

Contact the Support Center immediately if you click on a link or open an attachment that appears malicious.

This communication may contain transmission function information whose disclosure is restricted pursuant to the FERC Standards of Conduct. If you are not authorized under the Standards of Conduct to review this communication, be advised that any reading, dissemination, distribution, copying, or other use of this message or its attachments is prohibited. If you have received this communication in error, immediately notify the sender and Olenger L. Pannell - Vice President, Compliance & Regulated Services and Chief FERC Compliance Officer by e-mail, and forward the communication to Olenger L. Pannell at \_

Augustine,

I'm following up on our previous conversations/communications about the status of FirstEnergy's supplemental project (s2386) to rebuild the Doubs-Goose Creek 500 kV Line. Please confirm that PJM has concluded the component in this

corridor from the recommended solution for the PJM RTEP 2022 Window 3 would completely overlap and supersede FirstEnergy's supplemental rebuild project s2386, removing the need for the supplemental project.



**Larre Hozempa, P.E.**  
Gen Mgr, Planning

76 South Main, Akron, OH 44308 | mailstop: A-GO-12 / AK-General Office Bldg

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**The information contained in this message is intended only for the personal and confidential use of the recipient(s) named above. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately, and delete the original message.**

# EXHIBIT C

**Doubs Goose Creek Abandonment Recovery**

<b>Administrative</b>	<b>100% Recovery</b>	<b>50% Recovery</b>	<b>Total Recovery</b>
Project Overhead	223.31	409,136.60	409,359.91
AFUDC	159,413.72	284,583.10	443,996.82
Employee Expenses	5,474.00	4,555.83	10,029.83
Licences and Permits	-	5,000.00	5,000.00
Public Notices	-	19,868.58	19,868.58
<b>Subtotal</b>	<b>165,111.03</b>	<b>723,144.11</b>	<b>888,255.14</b>
<b>Internal Labor</b>			
Project Management	2,477.33	57,944.35	60,421.68
Engineers	1,078.72	75,839.90	76,918.62
Environmental/Siting	426.78	27,280.24	27,707.02
Real Estate	-	5,003.20	5,003.20
Information Technology	35.65	6,040.47	6,076.12
Internal Legal	740.24	32,499.20	33,239.44
Supply Chain	29,226.00	-	29,226.00
Rates Department	-	10,366.24	10,366.24
Transmission Operations	15,962.22	17,909.19	33,871.41
<b>Subtotal</b>	<b>49,946.94</b>	<b>232,882.77</b>	<b>282,829.71</b>
<b>Contracted Labor</b>			
Legal	8,634.89	113,998.31	122,633.20
Environmental permitting	-	7,654.40	7,654.40
Legal - Siting	8,634.89	106,343.91	114,978.80
Geotechnical Investigation	-	250,667.21	250,667.21
Real Estate Support	-	1,055.48	1,055.48
Leases / Freight / Recycling	163,715.51	-	163,715.51
Engineering (non-Dominion)	4,599.95	386,733.89	391,333.84
Project Management (non-Dominion)	6,595.75	69,604.15	76,199.90
Dominion Pre-EPC Agreement	-	13,849.05	13,849.05
Dominion EPC Agreement	32,161.00	228,299.96	260,460.96
Engineering	6,645.00	20,188.00	26,833.00
Project Management	20,513.00	174,895.00	195,408.00
Administrative/Overhead Charges	5,003.00	33,216.96	38,219.96
<b>Subtotal</b>	<b>215,707.10</b>	<b>1,064,208.03</b>	<b>1,279,915.13</b>
<b>TOTAL</b>	<b>430,765.07</b>	<b>2,020,234.91</b>	<b>2,450,999.98</b>

# EXHIBIT D

	100% Recovery	50% Recovery (Gross)	50% Recovery	Total Recovery
Project Overhead	223.31	818,273.20	409,136.60	409,359.91
Capitalization of Supervision Overhead Charges	0.00	180,036.61	90,018.31	90,018.31
Capitalization of Engineering Overhead Charges	0.00	109,788.89	54,894.45	54,894.45
Capitalization of Administrative/General Overhead Charges	47.95	436,663.21	218,331.61	218,379.56
Capitalization of Benefits Overhead Charges	175.36	91,784.49	45,892.25	46,067.61
AFUDC	159,413.72	569,166.20	284,583.10	443,996.82
Debt	86,882.05	275,656.58		86,882.05
Equity	72,531.67	293,509.62		72,531.67
Employee Expenses	5,474.00	9,111.66	4,555.83	10,029.83
Vehicle Charges	5,474.00	0.00	-	5,474.00
Employee Expenses for Travel to Sites	0.00	9,111.66	4,555.83	4,555.83
Licences and Permits	0.00	10,000.00	5,000.00	5,000.00
MD Public Utilities Commission CPCN Application	0.00	10,000.00	5,000.00	5,000.00
Public Notices	0.00	39,737.15	19,868.58	19,868.58
Outsourced services for required Public Notices	0.00	39,737.15	19,868.58	19,868.58
Total	165,111.03	1,446,288.21	723,144.11	888,255.14

# **EXHIBIT E**

	100% Recovery	50% Recovery (Gross)	50% Recovery	Total Recovery
<b>Engineers</b>	<b>1,078.72</b>	<b>151,679.79</b>	<b>75,839.90</b>	<b>76,918.62</b>
Eng Srv / Managers	0.00	104.59	52.30	52.30
T&S Eng Ext Eng Svcs	0.00	44,105.32	22,052.66	22,052.66
Trans Eng	1,078.72	107,469.88	53,734.94	54,813.66
<b>Environmental/Siting</b>	<b>426.78</b>	<b>54,560.48</b>	<b>27,280.24</b>	<b>27,707.02</b>
Plnng&Prtct Svcs	121.95	14,457.22	7,228.61	7,350.56
Environ Dept	304.83	40,103.26	20,051.63	20,356.46
<b>Information Technology</b>	<b>35.65</b>	<b>12,080.94</b>	<b>6,040.47</b>	<b>6,076.12</b>
<b>Internal Legal</b>	<b>740.24</b>	<b>64,998.40</b>	<b>32,499.20</b>	<b>33,239.44</b>
<b>Project Management</b>	<b>2,477.33</b>	<b>115,888.69</b>	<b>57,944.35</b>	<b>60,421.68</b>
ED Project Management	2,477.33	43,860.37	21,930.19	24,407.52
ED-Portfolio Management	0.00	72,028.32	36,014.16	36,014.16
<b>Rates Department</b>	<b>0.00</b>	<b>20,732.47</b>	<b>10,366.24</b>	<b>10,366.24</b>
<b>Real Estate</b>	<b>0.00</b>	<b>10,006.40</b>	<b>5,003.20</b>	<b>5,003.20</b>
<b>Supply Chain</b>	<b>29,226.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,226.00</b>
Material Planning	10,555.98	0.00	0.00	10,555.98
SDC Wrhsng & Logtos	18,670.02	0.00	0.00	18,670.02
<b>Transmission Operations</b>	<b>15,962.22</b>	<b>35,818.37</b>	<b>17,909.19</b>	<b>33,871.41</b>
Syst Ops Set Up	645.56	602.48	301.24	946.80
TransmMaintenance	103.74	30,970.52	15,485.26	15,589.00
TXVegMgmt	0.00	478.44	239.22	239.22
OpsSrv - Transm	0.00	3,155.49	1,577.75	1,577.75
RegOpsSppt- Subst	15,212.92	611.44	305.72	15,518.64
<b>Grand Total</b>	<b>49,946.94</b>	<b>465,765.54</b>	<b>232,882.77</b>	<b>282,829.71</b>

# EXHIBIT F

	100% Recovery	50% Recovery (Gross)	50% Recovery	Total Recovery
<b>Engineering</b>	<b>4,599.95</b>	<b>773,467.77</b>	<b>386,733.89</b>	<b>391,333.84</b>
BURNS & MCDONNELL ENGINEERING		306,469.56	153,234.78	153,234.78
GAI CONSULTANTS INCORPORATED	3,804.05	10,132.46	5,066.23	8,870.28
GLAUS PYLE SCHOMER BURNS & DEHAVEN		2,439.46	1,219.73	1,219.73
HAVERFIELD CORPORATION		23,320.00	11,660.00	11,660.00
KLEINFELDER INCORPORATED		74,382.00	37,191.00	37,191.00
ORBITAL ENGINEERING INCORPORATED		713.44	356.72	356.72
QUANTA TECHNOLOGY LLC		356,010.85	178,005.43	178,005.43
ZAYO GROUP HOLDINGS INCORPORATED	795.90		0.00	795.90
<b>Environmental Permitting</b>		<b>15,308.80</b>	<b>7,654.40</b>	<b>7,654.40</b>
SKELLY AND LOY INCORPORATED		4,476.69	2,238.35	2,238.35
TERRACON CONSULTANTS INCORPORATED		796.09	398.05	398.05
THE LOUIS BERGER GROUP INCORPORATED		10,036.02	5,018.01	5,018.01
<b>Geotechnical Investigation</b>		<b>501,334.41</b>	<b>250,667.21</b>	<b>250,667.21</b>
GAI CONSULTANTS INCORPORATED		469,602.01	234,801.01	234,801.01
KTA TATOR INCORPORATED		31,732.40	15,866.20	15,866.20
<b>Project Management - Contracted Labor</b>	<b>6,595.75</b>	<b>139,208.30</b>	<b>69,604.15</b>	<b>76,199.90</b>
APPALACHIAN FIELD SERVICE LLC		34,650.49	17,325.25	17,325.25
BURNS & MCDONNELL ENGINEERING	6,595.75	104,557.81	52,278.91	58,874.66
<b>Legal - Siting</b>	<b>8,634.89</b>	<b>212,687.81</b>	<b>106,343.91</b>	<b>114,978.80</b>
BROUSE MCDOWELL		15,230.87	7,615.44	7,615.44
DAVIS WRIGHT TREMAINE LLP	7,156.46	15,219.21	7,609.61	14,766.07
SAUL EWING	2,230.41	182,237.73	91,118.87	93,349.28
<b>Real Estate - Contracted Labor</b>		<b>2,110.96</b>	<b>1,055.48</b>	<b>1,055.48</b>
APPALACHIAN FIELD SERVICE LLC		2,110.96	1,055.48	1,055.48
<b>Leases / Freight / Recycling</b>	<b>163,715.51</b>		<b>0.00</b>	<b>163,715.51</b>
ARDMORE POWER LOGISTICS LLC	123,719.29		0.00	123,719.29
BAILEY MACHINE COMPANY INC	48,988.50		0.00	48,988.50
UNITED RENTALS	1,283.36		0.00	1,283.36
WASTE MANAGEMENT NATIONAL SERVICES	9,077.95		0.00	9,077.95
CLEVELAND INDUSTRIAL RECYCLING INC*	(19,353.59)		0.00	(19,353.59)
<b>Grand Total</b>	<b>183,546.10</b>	<b>1,657,345.42</b>	<b>822,059.03</b>	<b>1,005,605.13</b>

\*Revenue received for recycled materials

Name	Purchasing Document*	After 10/31/2023	50% Recovery (Gross)	50% Recovery	Total Recovery
<b>Dominion Pre-EPC Agreement - Engineering</b>	<b>45584670</b>		<b>27,698.09</b>	<b>13,849.05</b>	<b>13,849.05</b>
<b>Dominion EPC Agreement</b>					
Access Roads	45584673		5,764.00	2,882.00	2,882.00
Access Roads	45584673		550.00	275.00	275.00
Access Roads	750014735	353.00	564.00	282.00	635.00
Access Roads	750014735	455.00		0.00	455.00
<b>Administrative/Overhead Charges</b>		<b>808.00</b>	<b>6,878.00</b>	<b>3,439.00</b>	<b>4,247.00</b>
Engineering	45584673		736.00	368.00	368.00
Engineering	45584673		28,639.00	14,319.50	14,319.50
Engineering	750014735	314.00	11,001.00	5,500.50	5,814.50
Engineering	750014735	6,331.00		0.00	6,331.00
<b>Engineering Total</b>		<b>6,645.00</b>	<b>40,376.00</b>	<b>20,188.00</b>	<b>26,833.00</b>
Program Support	45584673		345,945.00	172,972.50	172,972.50
Program Support	45584673		2,941.00	1,470.50	1,470.50
Program Support	750014735	5,067.00	904.00	452.00	5,519.00
Program Support	750014735	15,446.00		0.00	15,446.00
<b>Project Management</b>		<b>20,513.00</b>	<b>349,790.00</b>	<b>174,895.00</b>	<b>195,408.00</b>
Administrative/Overhead Charges	45584673		57,684.67	28,842.34	28,842.34
Administrative/Overhead Charges	750014735	859.85	1,871.25	935.63	1,795.48
Administrative/Overhead Charges	750014735	3,335.15		0.00	3,335.15
<b>Administrative/Overhead Charges</b>		<b>4,195.00</b>	<b>59,555.92</b>	<b>29,777.96</b>	<b>33,972.96</b>
Total Dominion EPC Agreement:		32,161.00	456,599.92	228,299.96	260,460.96
Total Dominion Pre-EPC Agreement:		0.00	27,698.09	13,849.05	13,849.05
Total Billed by Dominion		32,161.00	484,298.01	242,149.01	274,310.01

\*The purchasing documents represent separate purchase orders with Dominion