



September 12, 2025

VIA E-TARIFF

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

**Re: *NextEra Energy Transmission MidAtlantic, Inc. and
PJM Interconnection, L.L.C., Docket No. ER25-2941-____
Amendment to Filing to Revise Attachment H-33 and H-33A***

Dear Secretary Reese:

On July 22, 2025, PJM Interconnection, L.L.C. ("PJM"), on behalf of NextEra Energy Transmission MidAtlantic, Inc. ("NEET MidAtlantic"), submitted a filing proposing edits to Attachment H-33 and H-33A to the PJM Open Access Transmission Tariff ("Tariff") to remove legacy language that implied that the entirety of NEET MidAtlantic's Annual Transmission Revenue Requirement should be allocated to the ComEd Zone. The purpose of the filing is to eliminate any conflict between Attachment H-33 and the transmission cost responsibility provisions in PJM's Tariff to ensure that NEET MidAtlantic's Annual Transmission Revenue Requirement ("ATRR") can be properly allocated.

NEET MidAtlantic's July 22 filing requested an effective date of July 23, 2025, one day after filing. However, it has since come to NEET MidAtlantic's attention that an earlier effective date is required to correct a billing error that began on June 1, 2024 related to the cost of upgrades to NEET MidAtlantic's transmission assets in Indiana (Project b3775). Cost responsibility for these upgrades was inadvertently assigned entirely to the ComEd Zone rather than being allocated in accordance with Schedule 12 Appendix A, section 32 of PJM's Tariff. As a result, NEET MidAtlantic is submitting¹ this amendment to request that the revisions to Attachment H-33 and H-33A described in the July 22, 2025 filing become effective on June 1, 2024. To effectuate this amendment, NEET MidAtlantic has enclosed the same revised versions of Attachment H-33 and H-33A submitted with the July 22 filing, but coded with a June 1, 2024 effective date. NEET MidAtlantic understands that, upon the Commission's acceptance of this filing, PJM will initiate

¹ Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. ("PJM") on behalf of NEET MidAtlantic as part of an XML filing package that conforms with the Commission's regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, NEET MidAtlantic has requested PJM submit this settlement Attachment H-33B in the e-Tariff system as part of PJM's electronic Intra PJM Tariff.

resettlements to correct the billing error associated with Project b3775 beginning with the bills for June 2024 and going forward.

For the avoidance of doubt, Schedule 12 Appendix A, section 32 has at all times presented the correct cost responsibility assignments for the transmission enhancements that NEET MidAtlantic seeks recovery of through Attachment H-33. NEET MidAtlantic has submitted the revisions to its Attachment H-33 and H-33A in this docket to ensure that there is no conflict between its Formula Rate and the cost responsibility provisions of PJM's Tariff, and to avoid any future confusion related to such cost reliability assignments.

NEET MidAtlantic respectfully requests waiver of the Commission's prior notice requirements² to permit a June 1, 2024 effective date for the revisions to Attachments H-33 and H-33A. There is good cause to grant such waiver: to ensure that the historical Tariff accurately reflects the cost responsibility assignments associated with Project b3775 and that costs billed for the project are allocated appropriately and in accordance with Schedule 12 Appendix A, section 32. The Commission has shown willingness to grant waiver of its prior notice requirements in similar circumstances to ensure that project costs are allocated correctly.³ Allowing the requested changes to become effective on June 1, 2024 is proper given that is when billing for Project b3775 started.

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,⁴ PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> 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 Region⁵ 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: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.⁶

² 18 C.F.R. §§ 35.3, 35.11.

³ See, e.g., *PJM Interconnection, L.L.C.*, 191 FERC ¶ 61,156 at PP 7, 16 (2025) (denying PJM's request, submitted via a March 28, 2025 filing, for a January 1, 2025 effective date for two corrections to cost responsibility assignments included in its 2025 RTEP Annual Update filing in Docket No. ER25-775-000 only because PJM did not request waiver of the prior notice requirement).

⁴ See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

⁵ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

⁶ *Electronic Tariff Filings*, Order No. 714, 124 FERC ¶ 61,270 (2008), *clarified*, Order No. 714-A, 147 FERC ¶ 61,115 (2014).

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NEET MidAtlantic respectfully requests that the Commission accept the revisions to Attachment H-33 and H-33A described in its July 22 filing, effective as of June 1, 2024. With this filing, NEET MidAtlantic is submitting the same tariff records that were submitted on July 22, updated to include a June 1, 2024 effective date. Please do not hesitate to contact the undersigned with any questions.

Respectfully submitted,

/s/ Katherine J. O’Konski

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CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of September 2025, I have served a copy of the foregoing document on the official service list compiled by the office of the Secretary for the above-captioned proceeding.

/s/ Katherine J. O’Konski

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ATTACHMENT A

REDLINE COPY OF REVISIONS TO OATT, ATT H-33 AND H-33A

ATTACHMENT H-33

Annual Transmission Rates – NEET PJM Entities

1. This Attachment H-33 is applicable to the Annual Transmission Revenue Requirement (“ATRR”) of NextEra Energy Transmission MidAtlantic-~~Indiana~~, Inc. (“NEET MidAtlantic ~~Indiana~~”), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff (“NEET PJM Entity”). The ATRR for each NEET PJM Entity is equal to the result of the formula rates contained in Attachment H-33B, and reflects the cost of providing transmission service over the transmission facilities of each NEET PJM Entity.
2. The ATRR of each NEET PJM Entity will be allocated and invoiced by PJM on a monthly basis ~~to customers taking Network Integration Transmission Service in the following applicable zone(s) on the basis of each customer’s respective annual Network Service Peak Load ratio share in accordance with the applicable provisions of the PJM Tariff. in the applicable zone(s):~~

<u>NEET PJM Entity</u>	<u>Formula Rate</u>
<u>NextEra Energy Transmission MidAtlantic-Indiana, Inc.</u>	<u>H-33B(1)</u>

3. The ATRR shall be updated annually, and the updated formula rate spreadsheet supporting the annual update shall be posted on the PJM website. The annual ATRR update process shall be conducted pursuant to the Formula Rate Implementation Protocols contained in Attachment H-33A, and the Formula Rate Template in Attachment H-33B.
4. The formula rate in this attachment shall be effective until amended by NextEra Energy Transmission MidAtlantic-~~Indiana~~, Inc., another NEET PJM Entity, or modified by the Commission.

Attachment H-33A
NextEra Energy Transmission PJM Entities
FORMULA RATE IMPLEMENTATION
PROTOCOLS

Section I. Applicability

The following procedures shall apply to the calculation of the actual net revenue requirements, True-Up Adjustments, and projected net revenue requirements of NextEra Energy Transmission MidAtlantic-Indiana, Inc.'s ("NEET MidAtlantic-Indiana"), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Interconnection, L.L.C. ("PJM") Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff ("NEET PJM Entity").

The NEET PJM Entities shall use either a January - December rate year or a June - May rate year, as specified below:

NEET PJM Entity	Formula Rate	Rate Year
NextEra Energy Transmission MidAtlantic-Indiana, Inc.	H-33B(1)	June to May

Section II. Annual True-Up and Projected Net Revenue Requirement

- A. On or before May 15 of each year, each NEET PJM Entity shall determine its Annual True-Up in accordance with the formula rate for each NEET PJM Entity and Section VII of these protocols, to derive a True-Up Adjustment to be included in projected net revenue requirement for each NEET PJM Entity for the subsequent rate year.
- B. On or before June 1 of each year, each NEET PJM Entity using a January – December rate year shall provide its Annual True-Up, actual net revenue requirement, and True-Up Adjustment to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June - May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of such posting, PJM shall provide notice of such posting via an email exploder list. Interested Parties can subscribe to the PJM exploder list on the PJM website. For purposes of these protocols, the term Interested Party includes, but is not limited to, customers under the PJM Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.
- C. On or before September 30 of each year, each NEET PJM Entity using a January –

December rate year shall provide its projected net revenue requirement to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June to May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of posting of the projected net revenue requirement, PJM shall provide notice of such posting to an email exploder list. In the event the NEET PJM Entity's formula rate is first included in the PJM Tariff such that the first projected net revenue requirement cannot be provided to PJM by May 15 or September 30, as applicable, each NEET PJM Entity will nevertheless prepare a projection of its net revenue requirement for the first Rate Year using the most recent information available, and the projection will be posted on the PJM website and OASIS at least sixty (60) days prior to the rates becoming effective. The projected net revenue requirement for a partial first Rate Year will reflect the NEET PJM Entity's net revenue requirement only over the remaining months during the partial Rate Year. The NEET PJM Entities will conduct a meeting with Interested Parties on the projected net revenue requirement for the first Rate Year between twenty (20) to forty (40) days after posting. Notice of the customer meeting, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the e-mail exploder list no less than seven (7) days prior to such meeting.

D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of information requests discussed in Section III of these protocols.

E. The Annual True-Up shall:

1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
2. Be based on each NEET PJM Entity's FERC Form No. 1 for the prior calendar year;
3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Annual True-Up that are not otherwise available in the FERC Form No. 1;
4. Provide sufficient information to enable Interested Parties to replicate the calculation of the Annual True-Up results from the FERC Form No. 1 ;
5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1;

6. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the FERC Form No. 1;
8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
 - a. Identify Accounting Changes, including
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates; and
 - v. changes to income tax elections;
 - b. Identify items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up;
 - d. Provide, for each item identified pursuant to items II.E.8.a - II.E.8.c of these protocols, a narrative explanation of the individual impact of such changes on the True-Up Adjustment.
9. Provide for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between each NEET PJM Entity and its affiliates by service category or function, including any changes to such cost

allocation methodologies from the prior year and the reasons and justifications for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between each NEET PJM Entity and each affiliate by service category or function.

F. The projected net revenue requirement shall:

1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
3. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement; and
4. With respect to any Accounting Change:
 - a. Identify any Accounting Changes, including
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates;
 - v. changes to income tax elections;
 - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and
 - d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.

- G. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual True-Up Meeting”) no sooner than twenty (20) days after the Publication Date. For NEET PJM Entities using a January – December rate year, the Annual True-Up Meeting shall occur no later than September 1, and for NEET PJM Entities using a June – May rate year, the Annual True-Up Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual True-Up Meeting remotely accessible. No less than seven (7) days prior to such Annual True-Up Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual True-Up Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual True-Up Meeting shall (i) permit each NEET PJM Entity to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from each NEET PJM Entity about the Annual True-Up and True-Up Adjustment.
- H. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual Projected Rate Meeting”) no sooner than twenty (20) days after the date that the projected net revenue requirement is posted to the PJM website and OASIS (as described in Section II.C of these protocols). For NEET PJM Entities using a January – December rate year, the Annual Projected Rate Meeting shall occur no later than October 31, and for NEET PJM Entities using a June – May rate year, the Annual Projected Rate Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual Projected Rate Meeting remotely accessible. No less than seven (7) days prior to such Annual Projected Rate Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual Projected Rate Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual Projected Rate Meeting shall (i) permit each NEET PJM Entity to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from the NEET PJM Entities about the projected net revenue requirements.
- I. Transmission owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational meeting to enable all interested parties to understand how those transmission owners are implementing their formula rates for cost recovery of such projects. The NEET PJM Entities will make the joint informational meeting remotely accessible. Notice of joint informational meetings, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the email exploder list no less than seven (7) days prior to such meetings. Each NEET PJM Entity will participate in joint informational meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated.

Section III. Information Exchange Procedures

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

- A. Interested Parties shall have one hundred and eighty (180) days following Publication Date (unless such period is extended with the written consent of the NEET PJM Entities or by FERC order) to serve reasonable information and document requests on a NEET PJM Entity (“Information Exchange Period”). If the due date for information and document requests falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:
1. the extent or effect of an Accounting Change;
 2. whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
 3. the proper application of the formula rate and procedures in these protocols;
 4. the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement;
 5. the prudence of actual costs and expenditures, including procurement methods and cost control methodologies;
 6. the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
 7. any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

- B. A NEET PJM Entity shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such requests. The NEET PJM Entity shall respond to all information and document requests by no later than two hundred and twenty (220) days following the Publication Date, unless the Information Exchange Period is extended by the applicable NEET PJM Entity or FERC. If the last day for the NEET PJM Entity to respond falls on a weekend or a holiday recognized by FERC, the deadline for responses to information requests shall be extended to the next business day.
- C. Each NEET PJM Entity will cause to be posted on the PJM website and OASIS all information requests from Interested Parties and such NEET PJM Entity’s

response(s) to such requests; except, however, if responses to information and document requests include material deemed by the NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by such NEET PJM Entity and the requesting party.

- D. A NEET PJM Entity shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing a NEET PJM Entity's Annual True-Up or projected net revenue requirement.

Section IV. Challenge Procedures

- A. Interested Parties shall have until two hundred and forty (240) days following the Publication Date (unless such period is extended with the written consent of the applicable NEET PJM Entity or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify the applicable NEET PJM Entity in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. The period of time from the Publication Date until the date that is two hundred and forty (240) days later shall be referred to as the Review Period. If the final day of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement under the challenge procedures set forth in these protocols, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement. This Section IV.A in no way shall affect a party's rights under section 206 of the Federal Power Act ("FPA") as set forth in Section IV.I of these protocols.
- B. A party submitting an Informal Challenge to a NEET PJM Entity must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. A NEET PJM Entity shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. A NEET PJM Entity, and where applicable, PJM, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If the applicable NEET PJM Entity disagrees with such challenge, the NEET PJM Entity will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after the final day of the Review Period, and a NEET PJM Entity must respond to all Informal Challenges by no later than thirty (30) days after the end of the Review Period, unless the Review Period is extended by the NEET PJM

Entity or FERC. If the end of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. If the deadline for a NEET PJM Entity to respond to all Informal Challenges falls on a weekend or a holiday recognized by FERC, the deadline for responding to Informal Challenges shall be extended to the next business day.

- C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.

1. A Formal Challenge shall:

- a. Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;
- b. Explain how the action or inaction violates the filed rate formula or protocols;
- c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
 - i. The extent or effect of an Accounting Change;
 - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
 - iii. The proper application of the formula rate and procedures in these protocols;
 - iv. The accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected net revenue requirement;
 - v. The prudence of actual costs and expenditures;
 - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
 - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the

action or inaction;

- e. State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
- g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
- h. State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.

2. Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on the NEET PJM Entity. Service to the NEET PJM Entity must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with 18 C.F.R. § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on the NEET PJM Entity's Informational Filing required under Section VI of these protocols.

- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up and projected net revenue requirement ; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- E. Each NEET PJM Entity will cause to be posted to PJM's website and OASIS all Informal Challenges from Interested Parties and the NEET PJM Entity response(s) to such Informal Challenges ; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by such NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the NEET PJM Entity and the requesting party.
- F. Any changes or adjustments to the Annual True-Up Adjustment or projected net

revenue requirement resulting from the Information Exchange and Informal Challenge processes that are agreed to by a NEET PJM Entity will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by a NEET PJM Entity on or before the last day of the Information Exchange Period will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by a NEET PJM Entity after the last day of the Information Exchange Period will be reflected in the following year's Annual True-Up, as discussed in Section V of these protocols.

- G. An Interested Party shall have until seventy-five (75) days following the Review Period (unless such date is extended with the written consent of the applicable NEET PJM Entity to continue efforts to resolve the Informal Challenge or unless the deadline for the NEET PJM Entity to submit its informational filing is extended) to make a Formal Challenge with FERC, which shall be served on the NEET PJM Entity on the date of such filing as specified in Section IV.C(2) above. If the last day of the seventy-five day period to make a Formal Challenge falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Formal Challenges shall be extended to the next business day. A Formal Challenge shall be filed in the same docket as the NEET PJM Entity's Informational Filing discussed in Section VI of these protocols. The NEET PJM Entity shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on any issue during the applicable Review Period.
- H. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, the NEET PJM Entity shall bear the burden, consistent with section 205 of the FPA, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in these protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of a NEET PJM Entity to file unilaterally, pursuant to section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the formula rate with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the FPA and the regulations thereunder.
- J. No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up and projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, an FPA section 205 or section 206 filing.

- K. Any Interested Party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with the applicable NEET PJM Entity in accordance with this Section IV before pursuing a Formal Challenge.

Section V. Changes to Annual True-Up Adjustment or Projected Net Revenue Requirement

Except as provided in Section IV.F of these protocols, any changes to the data inputs, including but not limited to revisions to a NEET PJM Entity's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols.

Section VI. Informational Filings

- A. By September 30 of each year, each NEET PJM Entity using a January – December rate year shall submit to FERC an informational filing (“Informational Filing”) of its projected net revenue requirement for the Rate Year, including its Annual True-Up and True-Up Adjustment (unless the Review Period is extended by the NEET PJM Entity or FERC). Such filing shall be made by each NEET PJM Entity using a June – May rate year no later than May 15 of each year. If the due date for the informational filing falls on a weekend or a holiday recognized by FERC, the deadline for submitting the Informational Filing shall be extended to the next business day. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that the NEET PJM Entity has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the transmission revenue requirement and rates under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge Procedures. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between a NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between a NEET PJM Entity and each affiliate by service category or function. Within five (5) days of such Informational Filing, PJM shall provide notice of the Informational Filing via an email exploder list and by posting the docket

number assigned to each NEET PJM Entity's Informational Filing on the PJM website and OASIS.

- B. Any challenges to the implementation of the NEET PJM Entity formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

Section VII. Calculation of True-Up Adjustment

The True-Up Adjustment will be determined in the following manner:

1. Actual transmission revenues received the previous calendar year ("True-Up Year") shall be compared to the actual net revenue requirement (calculated in accordance with the NEET PJM Entity's formula rate) for the True-Up Year as determined using the NEET PJM Entity's completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the "True-Up Adjustment." The True-Up Adjustment and related calculations shall be posted to PJM's website and OASIS no later than June 1 for NEET PJM Entities using a January – December rate year or May 15 for NEET PJM Entities using a June – May rate year (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.
2. Interest on any over recovery of the net revenue requirement shall be determined based on the Commission's regulation at 18 C.F.R § 35.19a. Interest on any under recovery of the net revenue requirement shall be determined using the interest rate equal to: (i) the NEET PJM Entity's actual short-term debt costs capped at the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a; or (ii) if the NEET PJM Entity does not have short-term debt, then the interest rate determined based on the Commission's regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the twenty-one (21) months preceding October of the current year. The interest amount will be included in the projected costs made available by either May 15 or September 30, as described in Section II.C above.
3. The net revenue requirement for transmission services for the following Rate Year shall be the sum of the projected net revenue requirement for the following year, plus or minus the True-Up Adjustment from the True-Up Year, if any, including interest, as explained above, and as described in Attachment 3 of the NEET PJM Entity's formula rate.

4. A NEET PJM Entity may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

Section VIII. Competitive Bid Concessions

For transmission development projects assigned to a NEET PJM Entity as a result of the PJM competitive project sponsor process, such NEET PJM Entity may, in its sole discretion, agree with PJM to apply a Competitive Bid Concession that will result in a lower net revenue requirement on a project-specific basis than that which would otherwise be produced by the NEET PJM Entity's formula rate. Any Competitive Bid Concession will appear as a zero or negative input to the formula, and will be determined on a project-specific basis using a workpaper that will be provided to Interested Parties as supporting documentation for each Annual True-Up by such NEET PJM Entity.

Section IX. Regulatory Asset for Pre-Commercial and Formation Costs

NEET MidAtlantic-Indiana, Inc. will recover through current rates costs necessary to administer, operate, and maintain its assets in its projected net revenue requirement and Annual True-Up. Consistent with the Commission's authorization, additional costs that would otherwise be recoverable through the Formula Rate will be deferred to the regulatory asset for pre-commercial and formation costs until the net book value of all transmission facilities owned by NEET MidAtlantic-Indiana, Inc. and any NEET PJM Entity equals or exceeds \$50 million.

ATTACHMENT B

CLEAN COPY OF REVISIONS TO OATT, ATT H-33 AND H-33A

ATTACHMENT H-33

Annual Transmission Rates – NEET PJM Entities

1. This Attachment H-33 is applicable to the Annual Transmission Revenue Requirement (“ATRR”) of NextEra Energy Transmission MidAtlantic, Inc. (“NEET MidAtlantic”), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff (“NEET PJM Entity”). The ATRR for each NEET PJM Entity is equal to the result of the formula rates contained in Attachment H-33B, and reflects the cost of providing transmission service over the transmission facilities of each NEET PJM Entity.
2. The ATRR of each NEET PJM Entity will be allocated and invoiced by PJM on a monthly basis in accordance with the applicable provisions of the PJM Tariff.

<u>NEET PJM Entity</u>	<u>Formula Rate</u>
<u>NextEra Energy Transmission MidAtlantic, Inc.</u>	<u>H-33B(1)</u>

3. The ATRR shall be updated annually, and the updated formula rate spreadsheet supporting the annual update shall be posted on the PJM website. The annual ATRR update process shall be conducted pursuant to the Formula Rate Implementation Protocols contained in Attachment H-33A, and the Formula Rate Template in Attachment H-33B.
4. The formula rate in this attachment shall be effective until amended by NextEra Energy Transmission MidAtlantic, Inc., another NEET PJM Entity, or modified by the Commission.

Attachment H-33A
NextEra Energy Transmission PJM Entities
FORMULA RATE IMPLEMENTATION
PROTOCOLS

Section I. Applicability

The following procedures shall apply to the calculation of the actual net revenue requirements, True-Up Adjustments, and projected net revenue requirements of NextEra Energy Transmission MidAtlantic, Inc.'s ("NEET MidAtlantic"), and any other wholly-owned subsidiary of NextEra Energy Transmission, LLC, that operates in the PJM Interconnection, L.L.C. ("PJM") Region and that owns, or proposes to own, transmission facilities that have been, or will be, turned over to the functional control of PJM and whose costs are recoverable under the PJM Tariff ("NEET PJM Entity").

The NEET PJM Entities shall use either a January - December rate year or a June - May rate year, as specified below:

NEET PJM Entity	Formula Rate	Rate Year
NextEra Energy Transmission MidAtlantic, Inc.	H-33B(1)	June to May

Section II. Annual True-Up and Projected Net Revenue Requirement

- A. On or before May 15 of each year, each NEET PJM Entity shall determine its Annual True-Up in accordance with the formula rate for each NEET PJM Entity and Section VII of these protocols, to derive a True-Up Adjustment to be included in projected net revenue requirement for each NEET PJM Entity for the subsequent rate year.
- B. On or before June 1 of each year, each NEET PJM Entity using a January – December rate year shall provide its Annual True-Up, actual net revenue requirement, and True-Up Adjustment to PJM and cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June - May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of such posting, PJM shall provide notice of such posting via an email exploder list. Interested Parties can subscribe to the PJM exploder list on the PJM website. For purposes of these protocols, the term Interested Party includes, but is not limited to, customers under the PJM Tariff, state utility regulatory commissions, consumer advocacy agencies, and state attorneys general.
- C. On or before September 30 of each year, each NEET PJM Entity using a January – December rate year shall provide its projected net revenue requirement to PJM and

cause such information to be posted on the PJM website and OASIS. For NEET PJM Entities using a June to May rate year, such information shall be provided to PJM on or before May 15 of each year. Within five (5) days of posting of the projected net revenue requirement, PJM shall provide notice of such posting to an email exploder list. In the event the NEET PJM Entity's formula rate is first included in the PJM Tariff such that the first projected net revenue requirement cannot be provided to PJM by May 15 or September 30, as applicable, each NEET PJM Entity will nevertheless prepare a projection of its net revenue requirement for the first Rate Year using the most recent information available, and the projection will be posted on the PJM website and OASIS at least sixty (60) days prior to the rates becoming effective. The projected net revenue requirement for a partial first Rate Year will reflect the NEET PJM Entity's net revenue requirement only over the remaining months during the partial Rate Year. The NEET PJM Entities will conduct a meeting with Interested Parties on the projected net revenue requirement for the first Rate Year between twenty (20) to forty (40) days after posting. Notice of the customer meeting, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the e-mail exploder list no less than seven (7) days prior to such meeting.

D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by the Federal Energy Regulatory Commission ("FERC" or "Commission"), then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of information requests discussed in Section III of these protocols.

E. The Annual True-Up shall:

1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
2. Be based on each NEET PJM Entity's FERC Form No. 1 for the prior calendar year;
3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Annual True-Up that are not otherwise available in the FERC Form No. 1;
4. Provide sufficient information to enable Interested Parties to replicate the calculation of the Annual True-Up results from the FERC Form No. 1 ;
5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1;

6. Identify all material adjustments made to the FERC Form No. 1 data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 and any adjustments not shown in the FERC Form No. 1;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the FERC Form No. 1;
8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
 - a. Identify Accounting Changes, including
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates; and
 - v. changes to income tax elections;
 - b. Identify items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up;
 - d. Provide, for each item identified pursuant to items II.E.8.a - II.E.8.c of these protocols, a narrative explanation of the individual impact of such changes on the True-Up Adjustment.
9. Provide for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between each NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation methodologies from the prior year and the reasons and justifications

for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between each NEET PJM Entity and each affiliate by service category or function.

F. The projected net revenue requirement shall:

1. Include a workable data-populated formula rate template and underlying workpapers in native format with all formulas and links intact;
2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
3. Provide sufficient information to enable Interested Parties to replicate the calculation of the projected net revenue requirement; and
4. With respect to any Accounting Change:
 - a. Identify any Accounting Changes, including
 - i. the initial implementation of an accounting standard or policy;
 - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
 - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
 - iv. the implementation of new estimation methods or policies that change prior estimates;
 - v. changes to income tax elections;
 - b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
 - c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement; and
 - d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.

- G. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual True-Up Meeting”) no sooner than twenty (20) days after the Publication Date. For NEET PJM Entities using a January – December rate year, the Annual True-Up Meeting shall occur no later than September 1, and for NEET PJM Entities using a June – May rate year, the Annual True-Up Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual True-Up Meeting remotely accessible. No less than seven (7) days prior to such Annual True-Up Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual True-Up Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual True-Up Meeting shall (i) permit each NEET PJM Entity to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from each NEET PJM Entity about the Annual True-Up and True-Up Adjustment.
- H. A NEET PJM Entity shall hold an open meeting among Interested Parties (“Annual Projected Rate Meeting”) no sooner than twenty (20) days after the date that the projected net revenue requirement is posted to the PJM website and OASIS (as described in Section II.C of these protocols). For NEET PJM Entities using a January – December rate year, the Annual Projected Rate Meeting shall occur no later than October 31, and for NEET PJM Entities using a June – May rate year, the Annual Projected Rate Meeting shall occur no later than June 15. The NEET PJM Entities will make the Annual Projected Rate Meeting remotely accessible. No less than seven (7) days prior to such Annual Projected Rate Meeting, the NEET PJM Entities shall provide notice on PJM’s internet website and OASIS of the time, date, location, and remote access information for the Annual Projected Rate Meeting and PJM shall provide notice of such meeting to an email exploder list. The Annual Projected Rate Meeting shall (i) permit each NEET PJM Entity to explain and clarify its projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from the NEET PJM Entities about the projected net revenue requirements.
- I. Transmission owners with transmission projects that utilize a regional or inter-regional cost sharing mechanism shall endeavor to hold a joint informational meeting to enable all interested parties to understand how those transmission owners are implementing their formula rates for cost recovery of such projects. The NEET PJM Entities will make the joint informational meeting remotely accessible. Notice of joint informational meetings, including the time, date, location, and remote access information, shall be posted on the PJM website and OASIS and distributed to the email exploder list no less than seven (7) days prior to such meetings. Each NEET PJM Entity will participate in joint informational meetings once it begins development of a project for which costs are to be regionally or inter-regionally allocated.

Section III. Information Exchange Procedures

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

- A. Interested Parties shall have one hundred and eighty (180) days following Publication Date (unless such period is extended with the written consent of the NEET PJM Entities or by FERC order) to serve reasonable information and document requests on a NEET PJM Entity (“Information Exchange Period”). If the due date for information and document requests falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the next business day. Such information and document requests shall be limited to what is necessary to determine:
1. the extent or effect of an Accounting Change;
 2. whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
 3. the proper application of the formula rate and procedures in these protocols;
 4. the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement;
 5. the prudence of actual costs and expenditures, including procurement methods and cost control methodologies;
 6. the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
 7. any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.
- B. A NEET PJM Entity shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such requests. The NEET PJM Entity shall respond to all information and document requests by no later than two hundred and twenty (220) days following the Publication Date, unless the Information Exchange Period is extended by the applicable NEET PJM Entity or FERC. If the last day for the NEET PJM Entity to respond falls on a weekend or a holiday recognized by FERC, the deadline for responses to information requests shall be extended to the next business day.
- C. Each NEET PJM Entity will cause to be posted on the PJM website and OASIS all information requests from Interested Parties and such NEET PJM Entity’s response(s) to such requests; except, however, if responses to information and

document requests include material deemed by the NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by such NEET PJM Entity and the requesting party.

- D. A NEET PJM Entity shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege in any subsequent FERC proceeding addressing a NEET PJM Entity's Annual True-Up or projected net revenue requirement.

Section IV. Challenge Procedures

- A. Interested Parties shall have until two hundred and forty (240) days following the Publication Date (unless such period is extended with the written consent of the applicable NEET PJM Entity or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify the applicable NEET PJM Entity in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. The period of time from the Publication Date until the date that is two hundred and forty (240) days later shall be referred to as the Review Period. If the final day of the Review Period falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement under the challenge procedures set forth in these protocols, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement. This Section IV.A in no way shall affect a party's rights under section 206 of the Federal Power Act ("FPA") as set forth in Section IV.I of these protocols.
- B. A party submitting an Informal Challenge to a NEET PJM Entity must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. A NEET PJM Entity shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. A NEET PJM Entity, and where applicable, PJM, shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If the applicable NEET PJM Entity disagrees with such challenge, the NEET PJM Entity will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after the final day of the Review Period, and a NEET PJM Entity must respond to all Informal Challenges by no later than thirty (30) days after the end of the Review Period, unless the Review Period is extended by the NEET PJM Entity or FERC. If the end of the Review Period falls on a weekend or a holiday

recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. If the deadline for a NEET PJM Entity to respond to all Informal Challenges falls on a weekend or a holiday recognized by FERC, the deadline for responding to Informal Challenges shall be extended to the next business day.

- C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.

1. A Formal Challenge shall:

- a. Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;
- b. Explain how the action or inaction violates the filed rate formula or protocols;
- c. Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:
 - i. The extent or effect of an Accounting Change;
 - ii. Whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
 - iii. The proper application of the formula rate and procedures in these protocols;
 - iv. The accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected net revenue requirement;
 - v. The prudence of actual costs and expenditures;
 - vi. The effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or
 - vii. Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- d. Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;

- e. State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
 - f. State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;
 - g. Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
 - h. State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.
2. Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on the NEET PJM Entity. Service to the NEET PJM Entity must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with 18 C.F.R. § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on the NEET PJM Entity's Informational Filing required under Section VI of these protocols.
- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up and projected net revenue requirement ; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or FERC Form No. 1; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- E. Each NEET PJM Entity will cause to be posted to PJM's website and OASIS all Informal Challenges from Interested Parties and the NEET PJM Entity response(s) to such Informal Challenges ; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by such NEET PJM Entity to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by the NEET PJM Entity and the requesting party.
- F. Any changes or adjustments to the Annual True-Up Adjustment or projected net revenue requirement resulting from the Information Exchange and Informal

Challenge processes that are agreed to by a NEET PJM Entity will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by a NEET PJM Entity on or before the last day of the Information Exchange Period will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by a NEET PJM Entity after the last day of the Information Exchange Period will be reflected in the following year's Annual True-Up, as discussed in Section V of these protocols.

- G. An Interested Party shall have until seventy-five (75) days following the Review Period (unless such date is extended with the written consent of the applicable NEET PJM Entity to continue efforts to resolve the Informal Challenge or unless the deadline for the NEET PJM Entity to submit its informational filing is extended) to make a Formal Challenge with FERC, which shall be served on the NEET PJM Entity on the date of such filing as specified in Section IV.C(2) above. If the last day of the seventy-five day period to make a Formal Challenge falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Formal Challenges shall be extended to the next business day. A Formal Challenge shall be filed in the same docket as the NEET PJM Entity's Informational Filing discussed in Section VI of these protocols. The NEET PJM Entity shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on any issue during the applicable Review Period.
- H. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, the NEET PJM Entity shall bear the burden, consistent with section 205 of the FPA, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in these protocols. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of a NEET PJM Entity to file unilaterally, pursuant to section 205 of the FPA and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return and transmission incentive rate treatment), or to replace the formula rate with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the FPA and the regulations thereunder.
- J. No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up and projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, an FPA section 205 or section 206 filing.
- K. Any Interested Party seeking changes to the application of the formula rate due to a

change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with the applicable NEET PJM Entity in accordance with this Section IV before pursuing a Formal Challenge.

Section V. Changes to Annual True-Up Adjustment or Projected Net Revenue Requirement

Except as provided in Section IV.F of these protocols, any changes to the data inputs, including but not limited to revisions to a NEET PJM Entity's FERC Form No. 1, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement for the next Rate Year. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols.

Section VI. Informational Filings

- A. By September 30 of each year, each NEET PJM Entity using a January – December rate year shall submit to FERC an informational filing (“Informational Filing”) of its projected net revenue requirement for the Rate Year, including its Annual True-Up and True-Up Adjustment (unless the Review Period is extended by the NEET PJM Entity or FERC). Such filing shall be made by each NEET PJM Entity using a June – May rate year no later than May 15 of each year. If the due date for the informational filing falls on a weekend or a holiday recognized by FERC, the deadline for submitting the Informational Filing shall be extended to the next business day. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that the NEET PJM Entity has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the transmission revenue requirement and rates under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal Challenge Procedures. Additionally, the Informational Filing must include for the applicable Rate Year the following information related to affiliate cost allocation: (1) a detailed description of the methodologies used to allocate and directly assign costs between a NEET PJM Entity and its affiliates by service category or function, including any changes to such cost allocation and methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between a NEET PJM Entity and each affiliate by service category or function. Within five (5) days of such Informational Filing, PJM shall provide notice of the Informational Filing via an email exploder list and by posting the docket number assigned to each NEET PJM Entity's Informational Filing on the PJM

website and OASIS.

- B. Any challenges to the implementation of the NEET PJM Entity formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

Section VII. Calculation of True-Up Adjustment

The True-Up Adjustment will be determined in the following manner:

1. Actual transmission revenues received the previous calendar year (“True-Up Year”) shall be compared to the actual net revenue requirement (calculated in accordance with the NEET PJM Entity’s formula rate) for the True-Up Year as determined using the NEET PJM Entity’s completed FERC Form No. 1 report to determine any excess or shortfall. The excess or shortfall due to the actual revenue received versus the actual net revenue requirement shall constitute the “True-Up Adjustment.” The True-Up Adjustment and related calculations shall be posted to PJM’s website and OASIS no later than June 1 for NEET PJM Entities using a January – December rate year or May 15 for NEET PJM Entities using a June – May rate year (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.
2. Interest on any over recovery of the net revenue requirement shall be determined based on the Commission’s regulation at 18 C.F.R § 35.19a. Interest on any under recovery of the net revenue requirement shall be determined using the interest rate equal to: (i) the NEET PJM Entity’s actual short-term debt costs capped at the interest rate determined based on the Commission’s regulation at 18 C.F.R § 35.19a; or (ii) if the NEET PJM Entity does not have short-term debt, then the interest rate determined based on the Commission’s regulation at 18 C.F.R § 35.19a. In either case, an average interest rate shall be used to calculate the interest payable for the twenty-four (24) months during which the over or under recovery in the revenue requirement exists. The interest rate to be applied to the over or under recovery amounts will be determined using the average rate for the twenty-one (21) months preceding October of the current year. The interest amount will be included in the projected costs made available by either May 15 or September 30, as described in Section II.C above.
3. The net revenue requirement for transmission services for the following Rate Year shall be the sum of the projected net revenue requirement for the following year, plus or minus the True-Up Adjustment from the True-Up Year, if any, including interest, as explained above, and as described in Attachment 3 of the NEET PJM Entity’s formula rate.

4. A NEET PJM Entity may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

Section VIII. Competitive Bid Concessions

For transmission development projects assigned to a NEET PJM Entity as a result of the PJM competitive project sponsor process, such NEET PJM Entity may, in its sole discretion, agree with PJM to apply a Competitive Bid Concession that will result in a lower net revenue requirement on a project-specific basis than that which would otherwise be produced by the NEET PJM Entity's formula rate. Any Competitive Bid Concession will appear as a zero or negative input to the formula, and will be determined on a project-specific basis using a workpaper that will be provided to Interested Parties as supporting documentation for each Annual True-Up by such NEET PJM Entity.

Section IX. Regulatory Asset for Pre-Commercial and Formation Costs

NEET MidAtlantic, Inc. will recover through current rates costs necessary to administer, operate, and maintain its assets in its projected net revenue requirement and Annual True-Up. Consistent with the Commission's authorization, additional costs that would otherwise be recoverable through the Formula Rate will be deferred to the regulatory asset for pre-commercial and formation costs until the net book value of all transmission facilities owned by NEET MidAtlantic, Inc. and any NEET PJM Entity equals or exceeds \$50 million.