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April 6, 2010

James J. McNulty, Secretary  
Pennsylvania Public Utilities Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

A-2009-2108338

Re: Docket No. M-2010-2157431 - Palmco Power PA -  
Additional Requirements Regarding Registration as Load Serving Entity

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Dear Secretary McNulty:

In accordance with your March 18, 2010 letter in the above-referenced Docket, Palmco Power PA, LLC is filing herewith the following proofs of its contractual arrangements with the Office of the Interconnection of PJM Interconnection, L.L.C.: (a) an executed Form of Service Agreement for Firm Point-To-Point Transmission Service, (b) an executed Form of Service Agreement for Non-Firm Point-To-Point Transmission Service, (c) an executed Form of Umbrella Service Agreement for Network Integration Transmission Service Under State Required Retail Access Programs, and (d) a copy of an e-mail from PJM Interconnection acknowledging registration.

Kindly acknowledge receipt of this letter and its enclosures by date-stamping the enclosed copy hereof and returning it in the self-addressed postage pre-paid envelope provided for your convenience.

Very truly yours,

Peter M. Metzger

Cullen and Dykman LLP  
44 Wall Street  
New York, NY 10005  
Attorneys for Palmco  
Power PA, LLC

Founded 1850

A-2009-2108338

ATTACHMENT A

**Form of Service Agreement For  
Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of April 14, 2009, is entered into, by and between the Office of the Interconnection of PJM Interconnection L.L.C. (the Transmission Provider) and Palmco Power PA, LLC ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Firm Point-To-Point Transmission Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities, Local Upgrades and/or Network Upgrades and any contingencies identified in the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer and \_\_\_\_\_ [name of transmission owner constructing upgrades] \_\_\_\_\_ are completed, if applicable, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the parties or as otherwise specified in this Service Agreement.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representatives as indicated below.

Transmission Provider

PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

Transmission Customer:

Palmco Power PA, LLC  
1350 60 Street  
Brooklyn, NY 11219

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- 7.0 The Tariff is incorporated herein and made a part hereof.
- 8.0 For Short-Term Firm Point-To-Point Transmission Service requested under this Agreement, the confirmation procedures set forth in this section 8.0 shall apply. Whenever PJM notifies the Transmission Customer that a request for Short-Term Firm Point-To-Point Transmission Service can be accommodated, the Transmission Customer shall confirm, by the earlier of (i) 15 days after PJM approves the request for service, or (ii) 12:00 noon on the day before the Service Commencement Date, that it will commence the requested service. Failure of the Transmission Customer to provide such confirmation will be deemed a withdrawal and termination of the request for the service, and any deposit submitted with the request will be refunded with interest.

**{Use the following Section 9.0 for Long-Term Firm Point-To-Point Transmission Service Requests that require construction of Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades}**

- 9.0 The Transmission Customer was notified by the Transmission Provider that the System Impact Study indicates that Firm Point-To-Point Transmission Service can not extend beyond one year from the commencement of service unless certain Direct Assignment Facilities, Local Upgrades, and/or Network Upgrades are constructed pursuant to the Tariff and in accordance with the terms and conditions of the Upgrade Construction Service Agreement by and among Transmission Provider, Transmission Customer, and \_\_\_\_\_ [name of Transmission Owner constructing upgrades]\_\_\_\_\_. The required Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are identified, including estimated costs and lead times to support the requested Firm Point-To-Point Transmission Service in that Upgrade Construction Service Agreement. Therefore, the Transmission Customer may not be able to exercise reservation/rollover priority rights, in whole or in part, which it may otherwise have pursuant to Section 2.2 of the Tariff upon the initial termination date of the Firm-Point-To-Point Transmission Service, unless and until the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities are completed pursuant to the terms of the Upgrade Construction Service Agreement.
- 10.0 Rates for Long-Term Firm Point-To-Point Transmission Service shall apply pursuant to this Service Agreement and applicable provisions of the PJM Tariff. Transmission Customer will not be eligible for any credits against these rates for the value of the Local Upgrades, Network Upgrades and/or Direct Assignment Facilities it provides; its consideration for payment for Customer-Funded Upgrades will be the Long-Term Firm Point-To-Point Transmission Service described in the Transmission Service Agreement, and the associated Upgrade-Related Rights, as described in the Upgrade Construction Service Agreement.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: Michael J. Kovmos SR. V.P. - OPERATIONS 7/9/2009  
Name Title Date

Transmission Customer: Palmco Power PA, LLC

By: Robert Palmco Member 4/14/09  
Name Title Date

**CERTIFICATION**

I, Robert Palmese, certify that I am a duly authorized officer of Palmco Power PA, LLC (Transmission Customer) and that Palmco Power PA, LLC (Transmission Customer) will not request service under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

Robert Palmese  
(Name)

Member  
(Title)

Subscribed and sworn before me this 14<sup>TH</sup> day of APRIL, 2009.

Steph Moser  
(Notary Public)

**STEPHEN MOSER**  
Notary Public State of New York  
No. 01MO6077436  
Qualified in Richmond County  
Commission Expires 07/08/2012

My Commission expires: \_\_\_\_\_

A-2009-2108338

ATTACHMENT B

Form of Service Agreement For Non-Firm Point-To-Point  
Transmission Service

- 1.0 This Service Agreement, dated as of ~~April 17~~<sup>July 9</sup>, 2009 is entered into, by and between the Office of the Interconnection of PJM Interconnection, L.L.C. (the Transmission Provider) and Palmco Power PA, LLC (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative as indicated below.

Transmission Provider:

PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

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Transmission Customer:

Palmco Power PA, LLC  
1350 60 Street  
Brooklyn, NY 11219

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Office of the Interconnection:

By: Michael J. Koronas / Sr. V.P. - Operations 7/9/2009  
Name Title Date

Transmission Customer: Palmco Power PA, LLC

By: Robert Palmue Member 7/14/09  
Name Title Date

**CERTIFICATION**

I, Robert Palmese, certify that I am a duly authorized officer of Palmco Power PA, LLC (Transmission Customer) and that Palmco Power PA, LLC (Transmission Customer) will not request service under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

Robert Palmese  
(Name)

Member  
(Title)

Subscribed and sworn before me this 14<sup>th</sup> day of APRIL, 2009.

Steph Moser  
(Notary Public)

**STEPHEN MOSER**  
Notary Public State of New York  
No. 01MC6077438  
Qualified in Richmond County  
Commission Expires 07/08/20 12

My Commission expires: \_\_\_\_\_

A-2009-2108338

ATTACHMENT F-1

**Form of Umbrella Service Agreement for  
Network Integration Transmission Service  
Under State Required Retail Access Programs**

- 1.0 This Service Agreement dated as of April 20, 2009 including the Specifications For Network Integration Transmission Service Under State Required Retail Access Programs attached hereto and incorporated herein, is entered into, by and between PJM Interconnection, L.L.C. ("Transmission Provider") and Palmco Power PA, LLC, a transmission customer participating in a state required retail access program and/or a program providing for the contractual provision of default service or provider of last resort service ("Network Customer").
- 2.0 The Network Customer has been determined by the Transmission Provider to have a valid request for Network Integration Transmission Service under the Tariff and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in a state required retail access program.
- 3.0 Service under this Service Agreement shall commence on April 20, 2009, and shall terminate on such date as mutually agreed upon by the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 4.0 The Transmission Provider agrees to provide, and the Network Customer agrees to take, Network Integration Transmission Service in accordance with the Tariff, including the Operating Agreement of the PJM Interconnection, L.L.C. ("Operating Agreement") (which is the Network Operating Agreement under the Tariff and is incorporated herein by reference) and this Service Agreement, as they may be amended from time to time.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

**Transmission Provider**

PJM Interconnection, L.L.C.  
955 Jefferson Avenue  
Valley Forge Corporate Center  
Norristown, PA 19403-2497

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**Network Customer**

Palmco Power PA, LLC

1350 60 Street

Brooklyn, NY 11219

IN WITNESS WHEREOF, the Transmission Provider and the Network Customer have caused this Service Agreement to be executed by their respective authorized officials.

**Transmission Provider**

By: Michael J. Korman Sr. V.P. - Operations 7/4/2009  
Name Michael J. Korman Title Date

**Network Customer**

By: Robert Palmco Member 4/20/09  
Name Title Date

**SPECIFICATIONS FOR**  
**NETWORK INTEGRATION TRANSMISSION SERVICE**  
**PURSUANT TO STATE REQUIRED RETAIL ACCESS PROGRAMS**

- 1.0 Term of Service: The term of service under this Service Agreement shall be from April 20, 2009 until terminated by mutual agreement of the parties, unless state law or regulations specify a limited period for service or unless earlier terminated for default under Section 7.3 of the Tariff.
- 2.0 Network Operating Agreement: In accordance with Section 29.1 of the Tariff, the Network Customer must be a member of PJM Interconnection, L.L.C. and a signatory to the Operating Agreement.
- 3.0 Network Load and Network Resources: The Network Customer shall be responsible for the Transmission Provider receiving the information pertaining to Network Load, Network Resources, and Behind The Meter Generation described in this section. Such information shall be provided in accordance with procedures established by the Transmission Provider. With respect to service requests under this umbrella Service Agreement, the Transmission Provider will deem the provision of the information specified in this section as complying with the application requirements set forth in Section 29.2 of the Tariff.
- 3.1 Network Load: For Network Load within the PJM Region, the Network Customer shall arrange for each electric distribution company ("EDC") delivering to the Network Customer's load to provide directly to the Transmission Provider, on a daily basis, the Network Customer's peak load (net of operating Behind The Meter Generation, but not to be less than zero, unless such generation is separately metered and reported to PJM), by bus, coincident with the annual peak load of the Zone as determined under Section 34.1 of the Tariff. The peak load shall be expressed in terms of tenths of a megawatt and shall include all losses within the PJM Region, including 500 kV transmission losses, other transmission losses, and distribution losses. Unless a more specific bus distribution is available, the EDC may provide a bus distribution for the Network Customer's peak load proportional to the bus distribution for all of the load in the Zone. The information must be submitted directly to the Transmission Provider by the EDC, unless the Transmission Provider approves in advance another arrangement. For Non-Zone Network Load, the Network Customer shall provide to the Transmission Provider, on a daily basis, the Network Customer's peak load, by interconnection at the border of the PJM Region, coincident with the annual peak load of such area as determined under Section 34.1 of the Tariff. The peak load for such Non-Zone Network Load shall be expressed in terms of tenths of a megawatt and shall not include losses within the PJM Region. Unless a more specific bus distribution is identified and node definition requested, a service

Issued By: Craig Glazer  
Vice President, Government Policy  
Issued On: November 15, 2004

Effective: January 15, 2005

request shall be granted upon submission of the information set forth in this Section 3.1 without any further confirmation procedures. If a Network Customer under this Service Agreement, prior to the commencement of service or at any time after the commencement of service, identifies a more specific bus distribution and requests a node definition for all or part of its Network Load that is served under state required retail access programs, the Network Customer shall notify both the Transmission Provider and the electric distribution company pursuant to the notification procedure and schedule set forth in the PJM manuals. The Transmission Provider, exercising its independent judgment and expertise, shall have the authority to resolve any difference of opinion that may arise between the Network Customer and the electric distribution company as to the applicable bus distribution or node definition. If confirmed, the more specific bus distribution will not be used for billing and settlement purposes, however, until the notification procedure set forth in the PJM manuals is completed, and in no event until June 1, to correspond with the commencement of the annual planning period.

- 3.2 Network Resources: The Network Customer, as necessary, shall designate from time to time its Network Resources. In the event the Network Resource to be designated is Behind The Meter Generation, the designation must be made before the commencement of a Planning Period as that term is defined in the Operating Agreement and will remain in effect for the entire Planning Period. Such Network Resources must be acceptable to the Transmission Provider as Network Resources in accordance with the Tariff and the Operating Agreement. Designations of resources that have not previously been accepted as Network Resources of any Network Customer or Transmission Customer shall include the information set forth in Section 29.2(v) of the Tariff. Changes in the designation of Network Resources will be treated as an application for modification of service. The Network Customer shall confirm the acceptance of a Network Resource within 15 days of the completion of a System Impact Study or 30 days after completion of a Facilities Study, as is applicable. The Transmission Provider will maintain a current list of Network Resources, which shall be updated from time to time.
- 3.3 Hourly Load: The Network Customer and/or the EDCs delivering to the Network Customer's load shall provide to the Transmission Provider, on a daily basis, hourly loads and an associated bus distribution for the Network Load. For Network Load within the PJM Region, hourly loads required under this Section shall include all losses within such area, including 500 kV transmission losses, other transmission losses, and distribution losses. The Network Customer shall notify the Transmission Provider whether the Network Customer or the EDC or both will submit the hourly loads.
- 3.4 Energy Schedules: The Network Customer shall schedule energy for its hourly loads in accordance with the Appendix to Attachment K of the Tariff.
- 3.5 Interruptible Loads: The Network Customer shall inform or shall arrange for each EDC delivering to Network Customer's load to inform Transmission Provider about the amount and location of any interruptible loads included in the Network Load. This information shall include the summer and winter peak load for each interruptible load (had such load not been interruptible), that portion of each interruptible load subject to interruption, the conditions under which an interruption can be implemented, and any limitations on the duration and frequency of interruptions.
- 3.6 Procedures for Load Determination: The procedures by which an EDC will determine the peak and hourly loads reported to the Transmission Provider under Sections 3.1 and 3.3 may be set forth in a separate schedule to the Tariff for each EDC.

- 3.7 Behind The Meter Generation: For Behind The Meter Generation of a Network Customer that requires metering pursuant to section 14.5 of the Operating Agreement, the Network Customer shall arrange for the Transmission Owner or EDC to provide directly to Transmission Provider information pertaining to such Behind The Meter Generation and the total load at its location as necessary for PJM's planning purposes.
- 4.0 Energy Imbalance Service: The Network Customer will receive Energy Imbalance Service from the Transmission Provider in accordance with Schedule 4 of the Tariff. Energy Imbalance Service is considered to be PJM Interchange and will be charged at the hourly locational marginal price determined pursuant to Section 2 of the Appendix to Attachment K of the Tariff.

- 5.0 Reconciliation Billing: For Network Load within the PJM Region, to the extent required, the Transmission Provider will reconcile the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage, and provide corresponding charges and credits to Network Customer. Such reconciliation, if required, shall be made at the same rates as Energy Imbalance Service.
- 6.0 Designation of party subject to reciprocal service obligation: The Network Customer shall comply with Section 6 of the Tariff.
- 7.0 Name(s) of any Intervening Systems providing transmission service: To the extent any Network Resources are located outside the PJM Region, the list of Network Resources maintained by the Transmission Provider referenced in Section 3.2 of these specifications, shall identify any intervening systems needed to deliver those Network Resources to the Network Customer's retail load.
- 8.0 Charges: Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
- 8.1 Embedded Cost Transmission Charge: The embedded cost transmission charge shall be determined in accordance with the formula set forth in Section 34 of the Tariff.
- 8.2 System Impact and Facilities Study Charges: To the extent Network Resources are located outside, or a new resource is added to, the PJM Region, a System Impact Study and/or Facilities Study Agreement and related charges may be required pursuant to Section 32 of the Tariff.

- 8.3 Direct Assignment Facilities Charge: To the extent that facilities or portions of facilities must be constructed by a Transmission Owner for the sole use or benefit of the Network Customer to accommodate the service requested by the Network Customer, the Network Customer shall be responsible for the cost of such Direct Assignment Facilities, and the charges for such facilities shall be specified at the time that the Transmission Provider determines the facilities that are needed to provide the requested service.
- 8.4 Ancillary Services Charge: In addition to Energy Imbalance Service, Transmission Provider shall bill the Network Customer for ancillary services in accordance with Schedules 1, 1-A, 2, 3, 5, 6, and 9 of the Tariff. To the extent required, the ancillary services charges shall also be reconciled based on any differences between the Network Customer's hourly energy responsibilities as initially reported to Transmission Provider and its hourly energy consumption based on, or estimated from, metered usage.
- 8.5 Other Supporting Facilities Charge: None.
- 8.6 Losses: For Non-Zone Network Load, losses of 3 percent for on-peak hours and 2.5 percent for off-peak hours shall be supplied as set forth in the Appendix to Attachment K of the Tariff.
- 8.7 Other Charges: Transmission Provider shall charge Network Customer any and all other charges set forth in the Tariff applicable to providing Network Integration Service.
- 9.0 Designated Agent: To the extent that a Designated Agent for one or more Network Customers provides to the Transmission Provider any of the information required by these Specifications, it shall provide the information separately for each Network Customer.

**CERTIFICATION**

I, Robert Palmese, certify that I am a duly authorized officer of Palmco Power PA, LLC (Network Customer) and that Palmco Power PA, LLC (Network Customer) will not request service under this Service Agreement to assist an Eligible Customer to avoid the reciprocity provision of this Open-Access Transmission Tariff.

Robert Palmese  
(Name)

*Robert Palmese*  
(Name)

Subscribed and sworn before me this 20 day of April, 2009.

*Stephen Moser*  
(Notary Public)

STEPHEN MOSER  
Notary Public State of New York  
No. 01MC0077436  
Qualified in Richmond County  
Commission Expires 03/31/10

My Commission expires: \_\_\_\_\_

**Metzger, Peter**

**From:** snydev@pjm.com  
**Sent:** Friday, July 10, 2009 1:42 PM  
**To:** beanm@pjm.com; budney@pjm.com; buffoj@pjm.com; ClientMgrs@pjm.com; curlm@pjm.com; DESSENHE@pjm.com; greshk@pjm.com; hsiae@pjm.com; jewwm@pjm.com; oasisadmin@pjm.com; oconns1@pjm.com; pincus@pjm.com; powicj@pjm.com; snydev@pjm.com  
**Cc:** Morand@wrightlaw.com; Robert Palmese  
**Subject:** Palmco Power PA, LLC - Blanket Transmission Service Agreements  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged  
**Attachments:** PJMLAW-#11537-v1-ATT\_A\_-\_Blanket\_Firm\_Point-to-Point\_TSA.PDF; PJMLAW-#11539-v1-ATT\_B\_-\_Blanket\_Non-Firm\_Point-to-Point\_TSA.PDF; PJMLAW-#11540-v1-ATT\_F-1\_Blanket\_Umbrella\_Service\_Agreement-\_State\_Required.pdf

Attached are copies of the blanket Transmission Service Agreements executed on July 9, 2009, for new Member company Palmco Power PA, LLC.

Short Name: PALMPA  
 Org ID: 12,805  
 Membership Effective Date: 7/9/2009

**Virginia J. (Ginny) Snyder**  
 Paralegal / Contract Administrator  
 PJM Interconnection  
 955 Jefferson Avenue  
 Valley Forge Corporate Center  
 Norristown PA 19403-2497  
 Phone: 610-635-3430  
 Fax: 610-666-8211  
 E-mail: snydev@pjm.com

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New York, New York 10005-2407

TO: James J. McNulty, Secretary  
Pennsylvania Public Utilities Commission  
P. O. Box 3265  
Harrisburg, PA 17105-3265

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