

**PECO ENERGY COMPANY  
STATEMENT NO. 1-RJ**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**OFFICE OF CONSUMER ADVOCATE**

**v.**

**PECO ENERGY COMPANY**

**DOCKET NOS. M-2018-3005860  
C-2018-3006242**

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**REJOINDER TESTIMONY**

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**WITNESS: JOSEPH A. BISTI**

**SUBJECT: RATEMAKING TREATMENT OF PJM  
TRANSMISSION CHARGES FROM 2007-2010**

**DATED: NOVEMBER 8, 2019**

**PA PUC**

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**REJOINDER TESTIMONY  
OF  
JOSEPH A. BISTI**

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 1. **Q. Please state your name and business address.**

3 A. My name is Joseph A. Bisti. I am employed by PECO Energy Company  
4 (“PECO” or the “Company”) as a Principal Regulatory and Rates Specialist.  
5 My business address is PECO Energy Company, 2301 Market Street,  
6 Philadelphia, Pennsylvania 19103.

7 2. **Q. Have you previously submitted testimony in this proceeding?**

8 A. Yes, I submitted direct testimony marked as PECO Statement No. 1 and  
9 accompanying PECO Exhibit Nos. JAB-1 through JAB-10. My background  
10 and qualifications are set forth in that statement. I also submitted rebuttal  
11 testimony marked as PECO Statement No. 1-R and accompanying PECO  
12 Exhibit Nos. JAB-1R through JAB-5R.

13 3. **Q. What is the purpose of your rejoinder testimony?**

14 A. My rejoinder testimony responds to two averments in the surrebuttal  
15 testimony of Office of Consumer Advocate (“OCA”) witness Karl Richard  
16 Pavlovic, Ph.D.<sup>1</sup> First, I will address Dr. Pavlovic’s attempt to refute the  
17 portion of my rebuttal testimony explaining that PECO’s transmission rates in

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<sup>1</sup> Surrebuttal Testimony of Karl Richard Pavlovic on behalf of the Pennsylvania Office of Consumer Advocate (Oct. 24, 2019) (“hereafter, “OCA St. No. 1-SR”).

1 effect during the 2007-2010 period did not include any allowance for recovery  
2 of Regional Transmission Expansion Plan (“RTEP”) charges imposed by PJM  
3 Interconnection, L.L.C. (“PJM”) and, in fact, did not include any costs  
4 recorded in Account 561 of the Federal Energy Regulatory Commission’s  
5 (“FERC”) Uniform System of Accounts.<sup>2</sup> Second, I will address Dr.  
6 Pavlovic’s contention that the direct testimony of PECO witness Alan B.  
7 Cohn in PECO’s 2010 electric base rate case<sup>3</sup> affirms that PECO’s electric  
8 distribution base rates in effect prior to January 1, 2011 included a component  
9 for recovery of RTEP charges imposed by PJM.<sup>4</sup> As I will explain, both of  
10 Dr. Pavlovic’s contentions are based on clear factual errors and, therefore, are  
11 not correct.

12 **II. PECO’S TRANSMISSION RATES IN EFFECT DURING THE 2007-2010**  
13 **PERIOD DID NOT INCLUDE A COMPONENT FOR RECOVERY OF RTEP**  
14 **CHARGES**

15 **4. Q. Mr. Bisti, at pages 8-9 of his surrebuttal testimony, Dr. Pavlovic takes**  
16 **issue with the portion of your rebuttal testimony (PECO St. 1-R, pp. 8-10)**  
17 **explaining that PECO’s transmission rates in effect during the 2007-2010**  
18 **period did not include a component for recovery of PJM RTEP charges.**  
19 **By way of background and for the clarity of the record, what were the**  
20 **relevant statements in that portion of your testimony?**

21 A. The portion of my rebuttal testimony relevant to this issue states as follows:

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<sup>2</sup> OCA St. No. 1-SR, p. 8, line 18, through p. 9, line 6.

<sup>3</sup> *Pa. P.U.C. v. PECO Energy Co.*, Docket No. R-2010-216575.

<sup>4</sup> OCA St. No. 1-SR, p. 6, line 15, through p. 7, line 6.

1 PECO's NITS [Network Integration Transmission Service] rate was  
2 established by a 1998 FERC Settlement at Docket No. ER97-3189-000  
3 ("1998 Settlement"). This occurred before PJM began imposing  
4 RTEP charges and even before FERC established Account 561.8.  
5 Contrary to Dr. Pavlovic's contention, the terms of the 1998  
6 Settlement specifically prevented PECO from recovering any costs  
7 recorded in Account 561 via PECO's NITS rate.<sup>21</sup>  
8

9 <sup>21</sup> The 1998 FERC Settlement (pp. 2-3) (attached hereto as PECO Exhibit  
10 No. JAB-2R) removed all costs recorded in FERC Account No. 561  
11 from PECO's annual revenue requirement used to establish its stated  
12 NITS rate. As evidenced by Dr. Pavlovic's response to PECO-OCA-II-4  
13 (attached hereto as PECO Exhibit No. JAB-3R), Dr. Pavlovic assumed  
14 incorrectly that the adjustment to PECO's annual transmission revenue  
15 requirement removed from Account No. 561 only Scheduling, System  
16 Control and Dispatch Service expenses.  
17

18 **5. Q. Your rebuttal testimony (footnote 21 at page 9, quoted above) explains**  
19 **that "all costs recorded in FERC Account No. 561" were removed from**  
20 **the annual revenue requirement used to establish PECO's stated NITS**  
21 **rate. What was that amount?**

22 **A.** The amount removed from PECO's revenue requirement in accordance with  
23 the terms of the 1998 Settlement was \$2,766,000, as shown in the Settlement  
24 Agreement (PECO Ex. JAB-2R, ¶ 7.a.).

25 **6. Q. Why does Dr. Pavlovic disagree with your rebuttal testimony?**

26 **A.** Dr. Pavlovic identified amounts PECO recorded in FERC Account 561, as  
27 reported in PECO's FERC Form 1 filed for the years 1997, 1998 and 1999, in  
28 the amounts of \$4,608,393, \$5,681,472 and \$5,857,840, respectively. Based  
29 upon those data, Dr. Pavlovic argues that: (1) the amount of \$2,766,000  
30 removed from PECO's revenue requirement pursuant to the 1998 Settlement  
31 did not eliminate all of the costs recorded in Account 561; (2) additional costs  
32 recorded in Account 561 remained in PECO's NITS rate; and (3) the

1 remaining costs were sufficient to allow PECO to recover RTEP charges in  
2 subsequent years once PJM actually did begin to impose such charges.<sup>5</sup>

3 **7. Q. Are Dr. Pavlovic's analysis and conclusions correct?**

4 A. No, they are not. Contrary to Dr. Pavlovic's position, after PECO removed  
5 the \$2,766,000 amount from the revenue requirement adopted in the 1998  
6 Settlement, the Company's NITS rate no longer included for recovery any  
7 costs recorded in Account 561. First, Dr. Pavlovic misconstrues the nature  
8 and purpose of the proceeding that led to the 1998 Settlement and, therefore,  
9 he draws erroneous conclusions from the terms of that settlement and from the  
10 Account 561 cost data that he relies upon. Second, Dr. Pavlovic errs by  
11 overlooking another important fact that I pointed out in my rebuttal testimony,  
12 namely, that RTEP charges were not even being imposed at the time the 1998  
13 Settlement was approved by the FERC.

14 **8. Q. What was the nature and purpose of the proceeding that culminated in**  
15 **the 1998 Settlement?**

16 A. The proceeding that led to the 1998 Settlement was not a transmission rate  
17 case and did not reestablish PECO's transmission revenue requirement based  
18 on contemporaneous cost data. That proceeding (FERC Docket No. ER-97-  
19 3190-0000) was initiated to restructure PJM, establish PJM as an Independent  
20 System Operator ("ISO") and provide operational control of the regional  
21 transmission system to PJM as the ISO. In its Order in that proceeding (81

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<sup>5</sup> *Id.*, p. 8, line 18, through p. 10, line 12.

1 FERC ¶ 61,257 (1997)), the FERC directed PJM to implement a PJM-wide  
2 Open-Access Transmission Tariff that included service over PECO's  
3 transmission facilities and, therefore, incorporated the revenue requirement of  
4 PECO's transmission facilities in PJM's open access rates for the PECO  
5 Zone.<sup>6</sup> The FERC-approved PJM tariff adopted PECO's revenue requirement  
6 of \$154,469,000 from PECO's company-specific open-access tariff<sup>7</sup> then in  
7 effect, which had previously been accepted by the FERC.<sup>8</sup> The transmission  
8 rates established in that prior proceeding were based on costs recorded by  
9 PECO in 1994 and not 1997, 1998 or 1999, as Dr. Pavlovic erroneously  
10 assumed. The higher costs PECO recorded in the years 1997-1999 simply  
11 demonstrate that PECO was incurring costs in those years that exceeded the  
12 costs reflected in its then-existing NITS rate.

13 **9. Q. What was the total amount of costs PECO actually recorded in Account**  
14 **561 in 1994?**

15 A. As shown in PECO's FERC Form 1 for 1994 (provided as PECO Exhibit No.  
16 JAB-2RJ), the entire amount recorded by PECO in FERC Account 561 in  
17 1994 was \$2,766,069, which is materially the same amount PECO removed  
18 from its transmission rates pursuant to the 1998 Settlement.<sup>9</sup> Consequently,

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<sup>6</sup> See PECO Energy Company Compliance Filing filed at FERC Docket No. ER97-3189 on December 12, 1997 (provided as PECO Exhibit No. JAB-1RJ).

<sup>7</sup> See *id.*, p. 3.

<sup>8</sup> *PECO Energy Co.*, 74 FERC ¶ 61,336 (1996).

<sup>9</sup> The costs PECO recorded in 1994 were consistent with the level of such costs PECO was incurring at that time, as evidenced by data in PECO's FERC Form 1 for 1992 and 1993 (provided as PECO Exhibit Nos. JAB-3RJ and JAB-4RJ, respectively), showing that PECO recorded \$2,122,373 and \$2,288,962 in Account 561 in the two years preceding 1994.

1 PECO's transmission rates adopted by the 1998 Settlement did not include  
2 any expense recorded in Account 561.

3 **10. Q. Is there any other reason why Dr. Pavlovic's analysis and conclusion are**  
4 **incorrect?**

5 A. Yes, as I stated above and as I explained in my rebuttal testimony,<sup>10</sup> PJM was  
6 not imposing RTEP charges when the 1998 Settlement was approved by the  
7 FERC. And, therefore, it was also not imposing RTEP charges when the rates  
8 and revenue requirement were adopted in PECO's last transmission rate case  
9 prior to the 1998 PJM restructuring proceeding.

10 **III. DR. PAVLOVIC MISSTATED AND MISCHARACTERIZED THE**  
11 **TESTIMONY OF PECO WITNESS COHN IN THE COMPANY'S 2010 RATE**  
12 **CASE**

13 **11. Q. Mr. Bisti, in your rebuttal testimony, did you explain how the**  
14 **transmission component of PECO's retail base rates in effect during the**  
15 **2007-2010 period had been established?**

16 A. Yes. I explained that the transmission component of PECO's base rates in  
17 effect following PECO's restructuring proceeding through 2010 did not  
18 include the PJM RTEP charges at issue in this proceeding. In fact, during the  
19 2007-2010 period, PJM RTEP charges were not included for recovery in any  
20 rate charged by PECO for either retail service or FERC-regulated transmission  
21 service.<sup>11</sup>

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<sup>10</sup> PECO St. 1-R, p. 9, lines 10-11.

<sup>11</sup> *Id.*, p. 4, line 5, through p. 5, line 9.

1    **12.    Q.    Does Dr. Pavlovic dispute that portion of your rebuttal testimony?**

2            A.    Yes. Dr. Pavlovic contends that my statements are refuted by the direct  
3                    testimony of PECO witness Cohn in PECO’s 2010 electric base rate case,  
4                    which was identified as PECO Statement No. 9.<sup>12</sup> Dr. Pavlovic states that  
5                    “PECO Witness Cohn explained that PECO removed transmission costs from  
6                    base rates and placed them in the [Transmission Service Charge (“TSC”)]  
7                    rider”<sup>13</sup> and Dr. Pavlovic also states that the costs allegedly “removed from  
8                    base rates” included “RTEP Charges.”<sup>14</sup> Based on his characterization of Mr.  
9                    Cohn’s testimony, Dr. Pavlovic concluded that PECO’s base rates in effect  
10                  prior to January 1, 2010 included, and were recovering, PJM RTEP charges  
11                  even though those rates had been established well before PJM began to  
12                  impose RTEP charges.

13   **13.    Q.    Has Dr. Pavlovic correctly described and characterized Mr. Cohn’s**  
14                   **testimony in PECO’s 2010 electric base rate case?**

15            A.    No, he has not. In fact, the discussion in Dr. Pavlovic’s surrebuttal testimony  
16                    leaves out some very significant parts of Mr. Cohn’s testimony that make it  
17                    clear Mr. Cohn did not say what Dr. Pavlovic attributes to him. Specifically,  
18                    as Mr. Cohn testified regarding recovery of PJM transmission charges, the  
19                    “base rates” he was referring to were not PECO’s existing base rates in effect  
20                    when it filed its 2010 electric rate case. Rather, Mr. Cohn was referring to

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<sup>12</sup> Dr. Pavlovic provided a copy of Mr. Cohn’s direct testimony as OCA Exhibit KRP-4SR.

<sup>13</sup> OCA St. 1-SR, p. 6, lines 17-19.

<sup>14</sup> *Id.*, p. 7, lines 1-6.

1 PECO's *proposed* base rates, effective in 2011, for which it was seeking  
2 approval in that case.<sup>15</sup> PECO included in its proposed base rate revenue  
3 requirement estimates of the charges PJM would be imposing during the  
4 future test year (calendar year 2010) employed in that case. In parallel with  
5 its base rate increase proposal, PECO also asked the Pennsylvania Public  
6 Utility Commission ("Commission") to approve its TSC as "an alternative  
7 cost recovery method" that would recover the PJM costs PECO had included,  
8 on a pro forma basis, in developing its proposed base rates. Mr. Cohn then  
9 explained that because PECO was offering two alternatives for recovering all  
10 of the estimated future test year PJM transmission charges – in its proposed  
11 base rates or through the TSC automatic adjustment clause – the estimates of  
12 PJM costs included in PECO's proposed base rate revenue requirement would  
13 have to be adjusted to remove those amounts if the Commission approved the  
14 TSC:

15 If the TSC Rider is approved, the Company will recover the  
16 transmission costs charged to it by PJM under that rider and,  
17 accordingly, those costs would not be included in base rates  
18 established at the conclusion of this case.<sup>16</sup>  
19

20 Thus, when Mr. Cohn stated that "Exhibit ABC-7 shows, by category, the PJM  
21 costs that PECO will remove from base rates and recover through the TSC"<sup>17</sup> he  
22 was referring to the projected PJM costs that PECO included in developing the  
23 revenue requirement underlying its proposed rates. This point is also established

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<sup>15</sup> OCA Exhibit KRP-4SR, p. 24.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*, p. 25.

1 by PECO Exhibit ABC-7 (which is part of OCA Exhibit KRP-4SR). That exhibit  
2 clearly shows that the “Regional Transmission Expansion Plan charges” PECO  
3 was removing from the proposed base rate revenue requirement consisted of  
4 “estimated 2010 payments” – not previously experienced costs embedded in  
5 PECO’s then-existing base rates.

6 **14. Q. In addition to mischaracterizing Mr. Cohn’s testimony in PECO’s 2010**  
7 **electric base rate case, is there any other reason why Dr. Pavlovic’s**  
8 **contention that PECO was recovering RTEP charges in its base rates**  
9 **prior to 2011 is incorrect?**

10 A. Yes. Once again, Dr. Pavlovic has ignored or overlooked the fact that  
11 PECO’s base rates in effect from 2007 through 2010 did not provide for the  
12 recovery of RTEP charges because PECO was not yet incurring those charges  
13 at the time those base rates were established in PECO’s 1989 base rate case,  
14 as I explained in my direct testimony.<sup>18</sup>

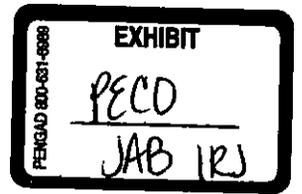
15 **IV. CONCLUSION**

16 **15. Q. Does this complete your rejoinder testimony at this time?**

17 A. Yes, it does.

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<sup>18</sup> PECO St. No. 1, p. 7, lines 11-17.



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SECRETARY'S BUREAU

**PECO EXHIBIT NO. JAB-1RJ**



PECO ENERGY

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REGULATORY COMMISSION

PECO Energy Company  
2301 Market Street  
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215 841 4236

12 December 1997

Ms. Lois D. Cashell, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

Re: PECO Energy Company, Docket No. ER97-3189-005

Dear Ms. Cashell:

PECO Energy Company ("PECO" or "the Company") hereby submits for filing with the Federal Energy Regulatory Commission ("Commission") a recomputation of its transmission rate in compliance with the Commission's 25 November 1997 Order Conditionally Accepting Open Access Transmission Tariff and Power Pool Agreements, Conditionally Authorizing Establishment of an Independent System Operator and Disposition of Control over Jurisdictional Facilities, and Denying Rehearings, Pennsylvania-New Jersey-Maryland Interconnection, et al., 81 FERC ¶ 61,257 ("PJM Order").

PECO makes this compliance filing without waiver of its right to seek rehearing of the PJM Order or to obtain appellate relief therefrom. Nor should anything stated herein be construed as agreement or acquiescence by PECO in any aspect of that order, including the making of this compliance filing. In addition, PECO further clarifies that it is not a proponent of any rate filing in the Docket No. ER97-3189-000 or in the above-referenced sub-docket. Rather, the rate filing at issue herein was both made by the Supporting Companies<sup>1</sup> and ordered by the Commission without PECO's consent.

<sup>1</sup> The Supporting Companies are Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company (the three immediately preceding utilities being subsidiaries of General Public Utilities Corp.), Pennsylvania Power & Light Company, Potomac Electric Power Company and Public Service Electric and Gas Company.

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Lois D. Cashell  
December 12, 1997  
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**Communications**

Please address all correspondence in connection with this filing to:

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**Background and Reason for Filing:**

PECO, directly or through subsidiaries, owns electric transmission facilities which have been operated as part of a power pool for many years under the Pennsylvania-New Jersey-Maryland Interconnection Agreement dated 26 September 1956 and more recently under the Operating Agreement of the PJM Interconnection, L.L.C. dated 31 March 1997. On 2 June 1997 the Supporting Companies, a group of regional transmission owners not including PECO, tendered for filing with the Commission a plan for restructuring of the PJM Interconnection. PECO and others protested the Supporting Companies' plan and proposed alternatives.

In the PJM Order, the Commission stated: "We are directing PJM-OI to implement Supporting Companies' proposal prospectively, effective January 1, 1998, subject to further modification in accordance with our findings herein." PJM Order, mimeo at 13-14. Among the elements of the Supporting Companies' plan is a regional open-access transmission tariff which, with certain modifications, the Commission ordered to be implemented as a tariff of the PJM Interconnection, LLC. That tariff, both as tendered for filing by the Supporting Companies and as it is to be modified pursuant to the PJM Order, encompasses service over PECO's transmission facilities, and hence incorporates the revenue requirement of PECO's transmission facilities into its rates. Ordering paragraph (F) of the PJM Order directs each regional transmission owner including PECO to make a compliance filing for the purpose of accomplishing two specific changes to the rate development as tendered by the Supporting Companies: billing determinants and non-firm revenue crediting. The instant filing is in response to that directive.

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December 12, 1997  
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### **Description of Revisions**

The Commission's pro forma tariff contemplates that the revenue requirement of the transmission provider should be set forth in Attachment H. The Supporting Companies drafted their proposed tariff with a separate sheet in the form of Attachment H for each regional transmission owner. PECO's revenue requirement as stated in Attachment H-7 is \$154,469,000. That numerical value was taken by the Supporting Companies from PECO's company-specific open-access tariff previously accepted for filing by the Commission. See PECO Energy Company, 74 FERC ¶ 61,336 (1996), and Allegheny Power System, Inc. et al., 80 FERC ¶ 61,143 (1997). Inasmuch as the Supporting Companies are proposing to charge for network integration transmission service using a set rate, rather than a load ratio allocation, they then divided this annual revenue requirement by PECO's 12CP load for 1995 (5776 MW) to create a network service rate.

One of the two elements to be addressed in this compliance filing is identified in the Commission's directive: "each RTO that provided for crediting of non-firm revenues to its revenue requirement in developing its rates is hereby ordered to revise its rates to exclude those revenues from its revenue requirement." PJM Order, mimeo at 102. After preliminary investigation, PECO has determined that any non-firm revenues it might be entitled to add back into its revenue requirement based on the test year would be insignificant at best. Accordingly, PECO hereby waives the right to seek any increase in its transmission revenue requirement based on such revenues.

The second element of the compliance filing follows the Commission's directive that "each RTO is hereby ordered to revise its rates to comply with the requirements that the billing determinants for network customers reflect the same figures that are used for FTRs". PJM Order, mimeo at 102. PECO notes that under the Supporting Companies' plan Fixed Transmission Rights ("FTRs") are a species of rights which rebate to transmission customers some congestion charges which might otherwise be imposed. Although not all FTRs are geographically equivalent, a network customer can receive as many MW worth of FTRs as the customer's annual peak load. Thus, absent the effects of load shifting between suppliers, a network customer would be expected to receive the same MW level of FTRs every month of the year.

For calculating the network customer's transmission charge, however, the Supporting Companies proposed to multiply the set rate by the customer's monthly peak load. For firm point-to-point customers, on the other hand, both the MW level of FTRs and the transmission charge would be based on the reservation level during the month. In the PJM Order the Commission concluded that network customers, like point-to-point customers, should be charged for transmission service using billing determinants equal to the MW value of the FTRs. Consequently, the Commission directed the PJM-OI to modify the tariff to reflect that change. For consistency between billing determinants and rates, the Commission observed: "This change will also require a corresponding

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change to the divisor used to develop the unit charge. As noted earlier, the divisor will reflect the average of 12 monthly peaks rather than the annual peak. However, the network service 'peaks' will reflect the monthly FTR MW rather than the actual network monthly load MW." PJM Order, mimeo at 59, n. 127.

The development of a revised unit charge, i.e. the network service rate in Attachment H of the Tariff, was assigned not to the PJM-OI, but to the individual RTOs. The change necessary to comply with the Commission's directive is straightforward. The divisor employed by the Supporting Companies to develop their originally-filed rate was PECO's 1995 12CP load. The new divisor must be PECO's 12CP FTR MW, which as explained above happens to be equal to PECO's annual peak load, which is 7,244 MW in August, 1995. Thus the rate is recomputed as follows:  $\$154,469,000 / 7,244 \text{ MW} = \$21,324$  per MW per year. Attachment H-7 to the Supporting Companies' tariff filing has been modified accordingly.

PECO wishes however to call the Commission's attention to an unusual circumstance surrounding this filing. The compliance herein, which deals with the rate computation, was ordered to be prepared by PECO and submitted 15 December 1997, while the compliance filing of the revised tariff was ordered to be prepared by the PJM Office of the Interconnection (PJM-IO) and submitted 31 December 1997. Consequently, in making this submission PECO cannot control and in fact does not even know whether or not the two revisions are (or will be) consistent, notwithstanding that they are being made specifically for the purpose of achieving consistency. Hence, in the interests of reasonability and fairness, PECO reserves the right to withdraw this filing and substitute a different one in the event that the PJM OI makes no change to the tariff calculation or makes a change inconsistent with PECO's interpretations as described herein.

#### **Compliance With The Commission's Filing Requirements**

In accordance with the requirements of 18 C.F.R. § 35.7, an original and six copies of the following documents are submitted in connection with this filing:

1. This letter of transmittal;
2. Revised Attachment H-7 ("Annual Transmission Rates – PECO Energy Company – for Network Integration Transmission Service) to the Open Access Transmission Tariff of the PJM Interconnection, LLC filed by the Supporting Companies (Attachment A);
3. A redline version of Attachment H-7 showing changes from the previously filed text (Attachment B); and

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4. A form of Notice of Filing suitable for publication in the Federal Register (Attachment C)

PECO also encloses a diskette containing electronic copies of clean and redlined copies of the revised tariff page and the form of Notice of Filing.

Copies of this compliance filing are being served on the other PJM Regional Transmission Owners and those persons on the Restricted Service List expected to be entered in this case.<sup>2</sup>

Respectfully submitted,



Robert N. Spencer, Director  
Interconnection Arrangements

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<sup>2</sup> In accordance with the discussions at the December 10, 1997 pre-hearing conference in the above-referenced sub-docket, the Restricted Service List is presently composed of those persons in attendance at the conference: PECO, Commission Staff, the PJM Interconnection, L.L.C., the PJM Industrial Customers Coalition and Allegheny Electric Cooperative.

**ATTACHMENT A**

**CLEAN VERSION OF REVISED TARIFF PAGE**

PJM Regional Transmission Owners

Open Access Transmission Tariff  
First Revised Sheet No. 111  
Superseding Original Sheet No. 111

**ATTACHMENT H-7**

**Annual Transmission Rates – PECO Energy Company  
for Network Integration Transmission Service**

1. The annual transmission revenue requirement is \$154,469,000 and the rate for Network Integration Transmission Service is \$21,324 per megawatt per year, which reflects the facilities recorded in FERC Form 1, as transmission for PECO Energy Company and its subsidiaries. Service utilizing other facilities will be provided at rates determined on a case-by-case basis.
2. The rate in (1) shall be effective until amended by the Regional Transmission Owner(s) within the Zone or modified by the Commission.
3. In addition to the rate set forth in section 1 of this attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Regional Transmission Owners for any amounts payable by them as sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

Revised: 12 December, 1997  
Effective: 1 January 1998

**ATTACHMENT B**

**REDLINED VERSION OF REVISED TARIFF PAGE**

PJM Regional Transmission Owners

Open Access Transmission Tariff  
First Revised Sheet No. 111  
Superseding Original Sheet No. 111

**ATTACHMENT H-7**

**Annual Transmission Rates – PECO Energy Company  
for Network Integration Transmission Service**

1. The annual transmission revenue requirement is \$154,469,000 and the rate for Network Integration Transmission Service is \$21,32426,743 per megawatt per year, which reflects the facilities recorded in FERC Form 1, as transmission for PECO Energy Company and its subsidiaries. Service utilizing other facilities will be provided at rates determined on a case-by-case basis.
2. The rate in (1) shall be effective until amended by the Regional Transmission Owner(s) within the Zone or modified by the Commission.
3. In addition to the rate set forth in section 1 of this attachment, the Network Customer purchasing Network Integration Transmission Service shall pay for transmission congestion charges, in accordance with the provisions of the Tariff, and any amounts necessary to reimburse the Regional Transmission Owners for any amounts payable by them as sales, excise, "Btu," carbon, value-added or similar taxes (other than taxes based upon or measured by net income) with respect to the amounts payable pursuant to the Tariff.

Revised: 12 December ~~June 2~~, 1997  
 Effective: 1 January 1998

ATTACHMENT C

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

PECO Energy Company,

)  
)  
)

Docket No. ER97-3189-005

NOTICE OF FILING

(December \_\_\_\_, 1997)

Take notice that on December 15, 1997, PECO Energy Company, in compliance with the 25 November 1997 order of the Federal Energy Regulatory Commission in Pennsylvania-New Jersey-Maryland Interconnection, et al., 81 FERC ¶ 61,257, filed clean and redlined versions of a revised Attachment H-7 to the "PJM Open Access Transmission Tariff" filed by the "Supporting Companies" at Docket ER97-3189-000. The "Supporting Companies" are Atlantic City Electric Company, Baltimore Gas and Electric Company, Delmarva Power & Light Company, Jersey Central Power & Light Company, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power & Light Company, Potomac Electric Power Company and Public Service Electric and Gas Company.

Copies of this compliance are being served on the other PJM Regional Transmission Owners, the PJM Interconnection, L.L.C. and other persons on the Restricted Service List expected to be entered in this case in accordance with the December 10, 1997 pre-hearing conference.

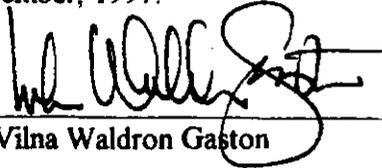
Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedures (18 C.F.R. § 385.211 and 18 C.F.R. § 385.214). All such motions or protests should be filed on or before \_\_\_\_, 1997. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

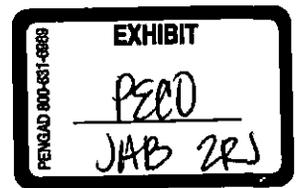
Hon. Lois D. Cashell  
Secretary

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing document are being served upon the representatives of other PJM Regional Transmission Owners, the PJM Interconnection, L.L.C. and other persons on the Restricted Service List expected to be entered in the proceeding at Docket No. ER97-3189-005.

Dated at Philadelphia, PA this 12<sup>th</sup> day of December, 1997.

  
\_\_\_\_\_  
Vilna Waldron Gaston



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SECRETARY'S BUREAU

**PECO EXHIBIT NO. JAB-2RJ**

Check appropriate box:

- Original signed form  
 Conformed copy

PECO Exhibit No. JAB-2R  
Form Approved  
OMB No. 1902-0021  
(Expires 7/31/95)



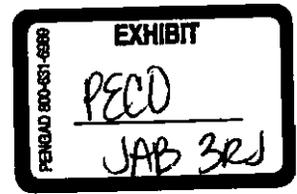
# FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)  
PECO Energy Company

Year of Report  
Dec. 31, 1994

Name of Respondent PECO Energy Company	This Report Is: (1) x An Original (2) A Resubmission	Date of Report (Mo., Da., Yr.) 12/31/94	Year of Report Dec. 31, 1994
<b>ELECTRIC OPERATION AND MAINTENANCE EXPENSES(Continued)</b>			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	\$223,612	\$161,879
54	(542) Maintenance of Structures	52,573	255,515
55	(543) Maintenance of Reservoirs, Dams, and Waterways	148,094	270,810
56	(544) Maintenance of Electric Plant	1,259,902	1,824,778
57	(545) Maintenance of Miscellaneous Hydraulic Plant	529,648	166,221
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	\$2,213,829	\$2,679,203
59	TOTAL Power Production Expenses—Hydraulic Power(Enter total of lines 50 and 58)	\$4,819,537	\$6,572,038
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	\$915,138	\$964,591
63	(547) Fuel	6,002,047	3,698,131
64	(548) Generation Expenses	580,941	883,233
65	(549) Miscellaneous Other Power Generation Expenses	1,225,977	2,257,836
66	(550) Rents	172,357	172,357
67	TOTAL Operation (Enter Total of lines 62 thru 66)	\$8,896,460	\$7,976,148
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	\$1,288,734	\$643,786
70	(552) Maintenance of Structures	813,356	896,155
71	(553) Maintenance of Generating and Electric Plant	3,854,622	5,111,558
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	196,528	70,962
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	\$6,153,240	\$6,722,461
74	TOTAL Power Production Expenses—Other Power (Enter Total of lines 67 and 73)	\$15,049,700	\$14,698,609
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	\$169,556,684	\$160,392,439
77	(556) System Control and Load Dispatching	9,412,714	7,900,933
78	(557) Other Expenses	(33,483,769)	(19,301,531)
79	TOTAL Other Power Supply Expenses (Enter Total of lines 76 thru 78)	\$145,485,629	\$148,991,841
80	TOTAL Power Production Expenses (Enter Total of lines 21,41,59,74, and 79)	\$1,092,714,937	\$1,105,113,887
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	\$1,450,695	\$713,525
84	(561) Load Dispatching	2,766,069	2,288,962
85	(562) Station Expenses	564,335	821,847
86	(563) Overhead Lines Expenses	507,548	306,438
87	(564) Underground Lines Expenses	144,553	305,494
88	(565) Transmission of Electricity by Others	0	0
89	(566) Miscellaneous Transmission Expenses	2,683,517	3,664,697
90	(567) Rents	6,150,499	5,567,867
91	TOTAL Operation (Enter Total of lines 83 thru 90)	\$14,267,216	\$13,668,830
92	Maintenance		
93	(568) Maintenance Supervision and Engineering	\$593	\$408,992
94	(569) Maintenance of Structures	133,954	392,121
95	(570) Maintenance of Station Equipment	10,482,145	9,173,546
96	(571) Maintenance of Overhead Lines	5,127,768	4,325,921
97	(572) Maintenance of Underground Lines	930,592	1,301,909
98	(573) Maintenance of Miscellaneous Transmission Plant	722,607	0
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)	\$17,397,659	\$15,602,489
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)	\$31,664,875	\$29,271,319
101	3. DISTRIBUTION EXPENSES		
102	Operation		
103	(580) Operation Supervision and Engineering	\$5,657,311	\$5,070,317



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**PECO EXHIBIT NO. JAB-3RJ**

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Form Approved  
OMB No. 1902-0021  
(Expires 7/31/95)

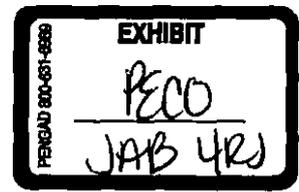


# FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

This report is mandatory under the Federal Power Act, Sections 3.4(a), 304 and 309, and 18 CFR141.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company) <b>PHILADELPHIA ELECTRIC COMPANY</b>	Year of Report Dec. 31, 19 <sup>92</sup>
--	---

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)			
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
50	C. Hydraulic Power Generation (Continued)		
51	Maintenance		
52	(541) Maintenance Supervision and Engineering	198,586	271,114
53	(542) Maintenance of Structures	177,555	89,758
54	(543) Maintenance of Reservoirs, Dams, and Waterways	230,477	317,399
55	(544) Maintenance of Electric Plant	1,716,688	1,370,119
56	(545) Maintenance of Miscellaneous Hydraulic Plant	742,367	273,482
57	TOTAL Maintenance (Enter Total of lines 52 thru 56)	3,065,673	2,321,870
58	TOTAL Power Production Expenses-Hydraulic Power (Enter Total of lines 49 and 57)	5,962,736	4,626,695
59	D. Other Power Generation		
60	Operation		
61	(546) Operation Supervision and Engineering	953,075	1,067,196
62	(547) Fuel	2,167,643	5,718,677
63	(548) Generation Expenses	971,844	1,354,034
64	(549) Miscellaneous Other Power Generation Expenses	1,988,998	1,725,858
65	(550) Rents	172,357	172,357
66	TOTAL Operation (Enter total of lines 61 thru 65)	6,253,917	10,038,122
67	Maintenance		
68	(551) Maintenance Supervision and Engineering	661,506	610,601
69	(552) Maintenance of Structures	1,116,219	675,836
70	(553) Maintenance of Generating and Electric Plant	4,237,463	3,581,818
71	(554) Maintenance of Miscellaneous Other Power Generation Plant	41,379	40,107
72	TOTAL Maintenance (Enter Total of lines 68 thru 71)	6,056,567	4,908,362
73	TOTAL Power Production Expenses-Other Power (Enter Total of lines 66 and 72)	12,310,484	14,946,484
74	E. Other Power Supply Expenses		
75	(555) Purchased Power	218,778,544	199,213,060
76	(556) System Control and Load Dispatching	7,903,122	7,539,187
77	(557) Other Expenses	57,135,596	37,674,41
78	TOTAL Other Power Supply Expenses (Enter Total of lines 75 thru 77)	283,817,262	244,426,656
79	TOTAL Power Production Expenses (Enter Total of lines 20, 40, 58, 73, and 78)	1,157,594,174	1,141,458,217
80	2. TRANSMISSION EXPENSES		
81	Operation		
82	(560) Operation Supervision and Engineering	769,789	2,746,439
83	(561) Load Dispatching	2,122,373	2,197,374
84	(562) Station Expenses	979,544	1,402,486
85	(563) Overhead Line Expenses	471,441	473,986
86	(564) Underground Line Expenses	339,076	393,907
87	(565) Transmission of Electricity by Others		
88	(566) Miscellaneous Transmission Expenses	3,107,525	2,994,782
89	(567) Rents	6,154,505	6,357,060
90	TOTAL Operation (Enter Total of lines 82 thru 89)	13,844,253	16,566,034
91	Maintenance		
92	(568) Maintenance Supervision and Engineering	461,474	718,462
93	(569) Maintenance of Structures	424,495	217,982
94	(570) Maintenance of Station Equipment	8,794,696	5,625,710
95	(571) Maintenance of Overhead Lines	4,694,736	4,352,777
96	(572) Maintenance of Underground Lines	1,249,986	1,337,848
97	(573) Maintenance of Miscellaneous Transmission Plant	86,618	22,300
98	TOTAL Maintenance (Enter Total of lines 92 thru 97)	15,712,005	12,174,879
99	TOTAL Transmission Expenses (Enter Total of lines 90 and 98)	29,656,258	28,740,913
100	3. DISTRIBUTION EXPENSES		
101	Operation		
102	(580) Operation Supervision and Engineering	4,745,126	7,109,356



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**PECO EXHIBIT NO. JAB-4RJ**

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Form Approved  
PECO Exhibit No. IAE-4B1  
OMB No. 1902-0021  
(Expires 7/31/95)



# FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

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Exact Legal Name of Respondent (Company)

PECO Energy Company

Year of Report

Dec. 31, 19 93

## ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

PECO Exhibit No. JAB-4RJ

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering	161,878	198,586
54	(542) Maintenance of Structures	255,515	177,555
55	(543) Maintenance of Reservoirs, Dams, and Waterways	270,810	230,477
56	(544) Maintenance of Electric Plant	1,824,778	1,716,698
57	(545) Maintenance of Miscellaneous Hydraulic Plant	166,221	742,367
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	2,679,203	3,065,673
59	TOTAL Power Production Expenses-Hydraulic Power (Enter Total of lines 50 and 58)	6,572,038	5,962,736
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	964,591	953,075
63	(547) Fuel	3,698,131	2,167,843
64	(548) Generation Expenses	863,233	871,844
65	(549) Miscellaneous Other Power Generation Expenses	2,257,836	1,988,998
66	(550) Rents	172,357	172,357
67	TOTAL Operation (Enter total of lines 62 thru 66)	7,976,148	6,253,917
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	643,786	661,506
70	(552) Maintenance of Structures	896,155	1,116,219
71	(553) Maintenance of Generating and Electric Plant	5,111,558	4,237,463
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	70,962	41,379
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	6,722,461	6,056,567
74	TOTAL Power Production Expenses-Other Power (Enter Total of lines 67 and 73)	14,698,609	12,310,484
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	180,392,439	218,778,544
77	(556) System Control and Load Dispatching	7,900,933	7,903,122
78	(557) Other Expenses	(19,301,531)	57,136,596
79	TOTAL Other Power Supply Expenses (Enter Total of lines 76 thru 78)	148,991,841	283,817,262
80	TOTAL Power Production Expenses (Enter Total of lines 21, 41, 69, 74, and 79)	1,105,113,887	1,157,894,174
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	713,525	769,789
84	(561) Load Dispatching	2,288,962	2,122,373
85	(562) Station Expenses	621,847	979,544
86	(563) Overhead Line Expenses	306,438	471,441
87	(564) Underground Line Expenses	305,494	339,076
88	(565) Transmission of Electricity by Others	-	-
89	(566) Miscellaneous Transmission Expenses	3,664,697	3,107,525
90	(567) Rents	5,567,867	6,154,505
91	TOTAL Operation (Enter Total of lines 83 thru 90)	13,668,830	13,944,253
92	Maintenance		
93	(568) Maintenance Supervision and Engineering	408,992	461,474
94	(569) Maintenance of Structures	392,121	424,495
95	(570) Maintenance of Station Equipment	9,173,546	8,784,696
96	(571) Maintenance of Overhead Lines	4,325,921	4,694,736
97	(572) Maintenance of Underground Lines	1,301,909	1,249,986
98	(573) Maintenance of Miscellaneous Transmission Plant	-	86,618
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)	15,602,489	15,712,005
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)	29,271,319	29,656,258
101	3. DISTRIBUTION EXPENSES		
102	Operation		
103	(580) Operation Supervision and Engineering	5,070,317	4,745,126