

121 FERC ¶ 61,034  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

PJM Interconnection, L.L.C.

Docket No. ER07-1186-000

ORDER ON COST ALLOCATION REPORT

(Issued October 18, 2007)

1. On July 23, 2007, PJM Interconnection, L.L.C. (PJM) in accordance with Schedule 12 of the PJM Open Access Transmission Tariff (OATT) and Section 1.6 of Schedule 6 of the PJM Operating Agreement, filed amendments to reflect the assignments of cost responsibility for five baseline upgrades that will operate at or above 500 kV included in the most recent update to the Regional Transmission Expansion Plan (RTEP) approved by the PJM Board of Managers (PJM Board).<sup>1</sup> In addition, PJM requested a waiver of the 30-day filing requirement for cost responsibility assignments for upgrades included in the RTEP that as planned will operate below 500 kV. In this order, we conditionally accept for filing PJM's revised tariff sheets, suspend them for a nominal period to become effective October 21, 2007, subject to refund and to the outcome of further proceedings, and direct a compliance filing. In addition, the Commission grants a waiver of the 30-day filing requirement for facilities that operate below 500 kV.

**I. Background**

2. PJM files reports allocating cost responsibility for certain transmission upgrades that have been approved by the PJM Board (Required Transmission Enhancements) as part of PJM's RTEP, in accordance with Schedule 12 of the PJM OATT (Schedule 12) and section 1.6 of Schedule 6 of the PJM Operating Agreement (Schedule 6), and pursuant to section 205 of the Federal Power Act (FPA).<sup>2</sup> The purpose of the RTEP is to provide for the construction of expansions and upgrades to PJM's transmission system in order to comply with reliability criteria, and to maintain and enhance the efficiency of PJM's wholesale electricity markets.

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<sup>1</sup> On June 22, 2007, the PJM Board approved changes to the RTEP, which include approximately \$2.98 billion in electric transmission upgrades and additions.

<sup>2</sup> 16 U.S.C. § 824d (2000).

3. PJM has previously filed recommended cost allocations in Docket No. ER06-456-000, Docket No. ER06-954-000, Docket No. ER06-1271-000, and Docket No. ER07-424-000.<sup>3</sup> These allocations were based on the extent to which load in each zone contributes to the violation of reliability criteria that an upgrade is designed to remedy. The Commission's previous RTEP orders set for hearing and settlement judge procedures the allocation of cost responsibility for specific projects and PJM's proposed cost allocations to merchant transmission projects.

4. On April 19, 2007, the Commission contemporaneously issued an order on rehearing of the RTEP orders,<sup>4</sup> and Opinion No. 494.<sup>5</sup> In Opinion No. 494, the Commission accepted a methodology that allocates, on a region-wide basis, the costs of new, centrally-planned facilities that operate at or above 500 kV.<sup>6</sup> The Commission ordered PJM to submit a compliance filing within 30 days "implementing the necessary revisions to PJM's Tariff and Operating Agreement" to effectuate the regional cost allocation methodology.<sup>7</sup>

5. In the Rehearing Order, the Commission expanded the scope of the hearing established in the RTEP orders to include the appropriate methodology to be added to the PJM Tariff to implement the allocation of costs of upgrades that operate below 500 kV in the RTEP based on a "beneficiary pays" approach.<sup>8</sup> The Commission further ordered

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<sup>3</sup> In its May 26, 2006 order, the Commission set for hearing and settlement judge procedures the RTEP filing in Docket No. ER06-456-000, *et al.* See *PJM Interconnection L.L.C.*, 115 FERC ¶ 61,261 (2006) (May 26 Order). In orders issued on August 3, 2006, October 18, 2006, and April 10, 2007, the Commission set for hearing and settlement judge procedures the RTEP filings in Docket Nos. ER06-954-000, ER06-1271-000, and ER07-424-000, and consolidated these proceedings with Docket No. ER06-456-000, *et al.* See *PJM Interconnection, L.L.C.*, 116 FERC ¶ 61,118 (2006) (August 3 Order); *PJM Interconnection, L.L.C.*, 117 FERC ¶ 61,058 (2006) (October 18 Order); *PJM Interconnection, L.L.C.*, 119 FERC ¶ 61,033 (2007) (April 10 Order) (collectively, RTEP orders).

<sup>4</sup> *PJM Interconnection, L.L.C.*, 119 FERC ¶ 61,067 (2007) (Rehearing Order).

<sup>5</sup> *PJM Interconnection, L.L.C.*, 119 FERC ¶ 61,063 (2007) (Opinion No. 494).

<sup>6</sup> Opinion No. 494 at P 76.

<sup>7</sup> *Id.* at P 83, Ordering Paragraph (C).

<sup>8</sup> Rehearing Order at P 16.

PJM to “submit proposed revisions to its cost allocations set forth in Schedule 12-Appendix of the tariff to reflect the allocations required by” Opinion No. 494.<sup>9</sup>

6. On May 21, 2007, as directed by Opinion No. 494, PJM submitted revisions to Schedule 12 to allocate cost responsibility for facilities that operate at or above 500 kV and the lower voltage facilities necessary to support such facilities (Docket No. EL05-121 Compliance Filing). Additionally, on May 21, 2007, PJM submitted revised tariff sheets to reflect the reallocation of cost responsibility for 39 projects on a region-wide basis as directed by Opinion No. 494.

## II. PJM’s Filing

7. The July 23, 2007 filing is PJM’s fifth filing of cost allocations for RTEP baseline upgrades (July 23, 2007 filing). It includes amendments to Schedule 12-Appendix of the PJM tariff, to reflect assignments of cost responsibility for five baseline upgrades that will operate at or above 500 kV. These baseline upgrades were included in the most recent update to RTEP, with an estimated cost of approximately \$2.69 billion.

8. PJM files cost responsibility assignments for Network Upgrades b0487, b0489, b0490, b0491, and b0492. These upgrades make up two major transmission line projects.<sup>10</sup> Consistent with Opinion No. 494 and as detailed in the Docket No. EL05-121 compliance filing, the assignments of cost responsibility for facilities that operate at or above 500 kV included in the revised tariff sheets are determined on a region-wide basis based on a load ratio share using the applicable zonal loads at the time of the annual peak from the 12-month period ending October 31 of the preceding year.<sup>11</sup> Cost responsibility assignments to owners of merchant transmission facilities are based on the Firm Transmission Withdrawal Rights (withdrawal rights) associated with existing or planned

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<sup>9</sup> *Id.* at Ordering Paragraph (C).

<sup>10</sup> Specifically, upgrades b0487 and b0489 involve building a new 500 kV transmission line from the Susquehanna Substation in northeastern Pennsylvania to the Roseland Substation in northern New Jersey. The estimated cost of this project is \$887 million. Upgrades b0490, b0491, and b0492 involve building a new transmission line from the Amos Substation in western West Virginia to the Kemptown Substation in north central Maryland. This line will be built as a 765 kV line for most of its length, and it is estimated to cost \$1.8 billion.

<sup>11</sup> *See* Docket No. EL05-121 Compliance Filing at 4-5 and Attachment A, PJM Tariff Schedule 12 § (b)(i)(A) (as filed in the Docket No. EL05-121 compliance filing).

merchant transmission facilities for which the owners have executed an interconnection service agreement.<sup>12</sup>

9. For upgrades that operate below 500 kV, PJM requests waiver of the Schedule 12 requirement that PJM within 30 days file a report with the Commission designating the customers using transmission services that will be subject to a transmission enhancement charge. In support for its request for a waiver, PJM states that the methodology to determine the cost responsibility assignment for facilities that operate below 500 kV is actively under consideration in the proceeding established in the previous RTEP orders. Accordingly, PJM is not including cost responsibility assignments for below 500 kV upgrades in this filing.<sup>13</sup>

10. PJM requests that the revised tariff sheets become effective on October 21, 2007.

### **III. Procedural Issues**

#### **A. Notice**

11. Notice of PJM's July 23, 2007 filing was published in the *Federal Register*, 72 Fed. Reg. 43,267 (2007), with interventions and protests due on or before August 22, 2007.<sup>14</sup>

#### **B. Interventions**

12. Notices of intervention were filed by the Illinois Commerce Commission (ICC) and the Maryland Public Service Commission (MD PSC).

13. Timely motions to intervene were filed by Linden VFT, LLC (Linden),<sup>15</sup> New Jersey Division of Rate Counsel (NJ Rate Counsel), American Electric Power Service

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<sup>12</sup> See *id.* at 5 and Attachment A, PJM Tariff Schedule 12 § (b)(i)(B) (as filed in the Docket No. EL05-121 compliance filing).

<sup>13</sup> PJM requests authority to file the report after the issuance of, and in accordance with, a subsequent order, including an order on settlement of Docket ER06-456, *et al.*

<sup>14</sup> See Notice Extending Comment Period, Docket No. ER07-1186, July 31, 2007.

<sup>15</sup> An affiliate of East Cost Power, L.L.C.

Corporation (AEP),<sup>16</sup> Exelon Corporation (Exelon),<sup>17</sup> Allegheny Power (Allegheny),<sup>18</sup> New York Power Authority (NYPA), Neptune Regional Transmission System (Neptune) with Hudson Transmission Partners (Hudson) (together, the Joint Petitioners), Long Island Lighting Company d/b/a LIPA (LIPA), Old Dominion Electric Cooperative (ODEC), Public Service Enterprise Group Companies (PSEG),<sup>19</sup> and Pepco Holdings, Inc. Companies (PHI Companies).<sup>20</sup>

14. Untimely motions to intervene were filed by Dominion Resources Services, Inc. (Dominion),<sup>21</sup> PPL Electric Utilities Corporation (PPL Electric), and Jersey Central Power & Light Company (Jersey Central), Metropolitan Edison Company (Metropolitan Edison) and Pennsylvania Electric Company (Pennsylvania Electric) (together the FirstEnergy Companies).

#### **IV. Requests to Consolidate Proceedings**

15. Requests to consolidate were filed by NYPA, LIPA, Linden, and the Joint Petitioners.

16. LIPA requests that the proposed allocation of cost responsibility for Network Upgrades b0487, b0489, b0490, b0491, and b0492 based on withdrawal rights, as well as the undetermined allocation of below 500 kV projects, be consolidated with the hearing and settlement judge procedures in Docket Nos. ER06-456, *et al.* NYPA requests that the issues raised by the proposed allocation of cost responsibility to merchant transmission facilities be consolidated with the allocation methodology proposed in the Docket No. EL05-121 compliance filing. Linden requests that the issues related to allocation of cost responsibility to merchant transmission facilities be consolidated with the allocation methodology proposed in the Docket No. EL05-121 compliance filing, and these issues be consolidated with the similar issues in the consolidated RTEP

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<sup>16</sup> On behalf of AEP Transmission Company LLC.

<sup>17</sup> Exelon is a holding company that owns Commonwealth Edison Company (ComEd) and PECO Energy Company (PECO).

<sup>18</sup> For Monongahela Power Company, Potomac Edison Company and West Penn Power Company, subsidiaries of Allegheny Energy, Inc.

<sup>19</sup> For Public Service Electric and Gas Company, PSEG Power LLC and PSEG Energy Resources & Trade LLC.

<sup>20</sup> The PHI Companies are Potomac Electric Power Company, Delmarva Power and Light Company, and Atlantic City Electric Company.

<sup>21</sup> On behalf of Virginia Electric and Power Company.

proceedings. The Joint Petitioners request that Docket No. ER07-1186-000 be consolidated with the consolidated RTEP proceedings, and with the proceedings in Docket Nos. EL05-121-000, *et al.*

## V. Protests

17. Protests were filed by the ICC, AEP, Exelon, NYPA, LIPA, Linden, the Joint Petitioners, and ODEC.

18. The ICC recommends that the Commission reject the filing's proposed cost allocation to the ComEd zone on the basis that PJM's proposed transmission projects will not provide benefits to electricity customers in Illinois. A review of PJM's currently proposed projects, according to the ICC, illuminates the unjustness and unreasonableness of the region-wide cost allocation methodology. The purpose of Projects b0487 and b0489 is to relieve 230 kV overloads, but because the proposed remedy for the 230 kV overloads is the construction of a facility that operates at 500 kV, ComEd's zone will be allocated a cost responsibility of approximately \$143 million. If planners had instead decided to remedy the 230 kV overloads by putting in additional facilities that operate at those voltage levels or other voltage levels below 500 kV, the ICC contends, the ComEd zone would most likely not be allocated any cost responsibility for those facilities.

19. If the filing is not rejected outright, the ICC requests that the Commission set an effective date for the tariff sheets that is after the date on which the Commission rules on the Docket No. EL05-121 compliance filing and the requests for rehearing of Opinion No. 494 that are currently pending.

20. Exelon states that PJM's July 23, 2007 filing implements the Commission's decision in Opinion No. 494 to accept PJM's proposal to regionalize or "socialize" among all PJM zones the costs of centrally-planned transmission facilities that will operate at or above 500 kV and lower voltage facilities that are necessary to construct a particular new project that operates at or above 500 kV. Exelon timely filed for rehearing of Opinion No. 494 on the grounds, *inter alia*, that it will allocate to ComEd a share of the costs of transmission projects in eastern PJM that do not benefit the load in the ComEd zone, but that primarily provide economic benefits to eastern PJM zones and solve reliability problems involved in moving less expensive power from western PJM to eastern PJM. Exelon states that it wants to preserve ComEd's and PECO's right to refunds with interest of any inappropriate charges allocated to the ComEd or PECO zones under this cost allocation method, in the event the Commission or a Court ultimately determines socialization of facilities that operate at 500 kV and above is inappropriate.

21. ODEC supports the region-wide cost allocations proposed in PJM's July 23, 2007 filing for facilities operating at 500 kV or above. ODEC likewise supports PJM's proposal to defer cost allocations for facilities operating below 500 kV pending a Commission order in Docket Nos. ER06-456, *et al.* ODEC is compelled to protest PJM's

July 23, 2007 filing, however, to the extent that PJM does not propose region-wide cost allocation for certain upgrades that ODEC has maintained are entitled to such rate treatment under Opinion 494.

22. Specifically, ODEC challenges PJM's proposal to exclude transformers with a high side voltage of 500 kV or above from the class of "Regional Facilities" that are to receive region-wide cost allocation under Opinion No. 494. Further, ODEC argues that PJM defines "Necessary Lower Voltage Facilities" too narrowly and improperly excludes certain facilities "necessary to construct a particular new project at 500 kV and above" from regional cost treatment.

23. ODEC contends that, while it is difficult to determine from PJM's descriptions which projects possess characteristics that should entitle them to region-wide cost allocation under Opinion No. 494, at least certain projects appear to have been improperly excluded from the region-wide postage stamp rate as a result of PJM's overly restrictive definitions of "Regional Facilities" and "Necessary Lower Voltage Facilities."<sup>22</sup> ODEC contends that the Commission should resolve the cost allocations for these projects consistent with the ultimate resolution of ODEC's protest in Docket No. EL05-121-004.

24. AEP states that, although the primary purpose of PJM's filing is to identify the entities in PJM that are responsible for the costs of the upgrades that PJM approved in the 2007 RTEP, amended Schedule 12 also includes an identification of the entity or entities that are responsible for constructing new projects. Because the instant filing does not set forth any reasoning behind PJM's designation of responsible parties, AEP assumes that the designations in amended Schedule 12 are preliminary and are intended solely to assist in identifying the applicable cost responsibility for the projects. AEP requests that the Commission confirm that the designations of responsible parties in proposed Schedule 12 are preliminary and subject to further consideration if a dispute should arise over such designations.

25. Linden, LIPA, NYPA, and Joint Petitioners all protest the methodology PJM uses to allocate cost responsibility to the owners of merchant transmission facilities, stating that these owners are not being treated comparably to other transmission owners. As proposed in the Opinion No. 494 compliance filing, PJM allocates the costs of regional RTEP projects to customers based on their actual use of transmission service, calculated using their historical peak load from the prior year. However, costs are allocated to merchant transmission facilities based on the withdrawal rights associated with existing

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<sup>22</sup> ODEC lists projects b0130, b0210, b0218, b0220, b0229, b0230, b0241.1, b0241.2, b0241.3, b0244, b0298, b0318, b0319, b0343, b0344, b0345, b0411, b0437, b0439, b0440, and b0477 as projects that were improperly excluded from the region-wide postage stamp rate.

or planned merchant transmission facilities for which an interconnection service agreement has been executed.

26. Linden argues that the allocation of RTEP costs to merchant transmission facilities based on planned withdrawal rights, prior to the commencement of transmission service, is inconsistent with the Commission's policy which intends that developers have "a reasonable degree of certainty as to [their] financial costs [in order] to make reasoned business decisions."<sup>23</sup> Linden explains that an interconnection service agreement is typically executed three or more years before the planned in-service date of a merchant transmission facility, and that allocating costs based on planned withdrawal rights would impose transmission service costs on new merchant facilities years before they begin to take transmission service and derive benefits from the transmission enhancements or expansions. Linden states that this could be a substantial economic burden on the development of merchant facilities.

27. Additionally, LIPA states that PJM's proposal is unduly discriminatory because it only allocates costs of RTEP projects to exports over merchant transmission facilities. LIPA states that PJM exports include long-term firm grandfathered agreements, firm point-to-point transmission service commitments and real-time transactions associated with installed capacity obligations by PJM generators in New York and other neighboring markets, none of which are allocated any upgrade costs. LIPA thus argues that PJM is not allocating costs to exports on a comparable basis.

28. Linden, LIPA, and Joint Petitioners note that the previous RTEP orders set for hearing PJM's proposed cost allocations to merchant transmission projects "to ensure that the method used by PJM to allocate costs is not unduly discriminatory or preferential, and that the proposed allocation directly correlates to their contribution to the need for such reliability upgrades."<sup>24</sup> The parties state that PJM has not justified that it is just and reasonable to use planned withdrawal rights to allocate cost responsibility to merchant transmission facilities for RTEP projects that operate above 500 kV.

29. Further, Linden, NYPA, and Joint Petitioners all note that the allocation methodology used in the instant filing was proposed by PJM in its Opinion No. 494 compliance filing, which is currently pending, and Linden requests that, until the Commission determines an appropriate allocation methodology, the Commission should direct that any allocations to merchant transmission facilities, whether for projects operated above or below 500 kV, be made subject to refund.

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<sup>23</sup> Citing *PJM Interconnection, LLC*, 110 FERC ¶ 61,098 at P 23 (2005).

<sup>24</sup> May 26 Order at P 51.

30. Additionally, Joint Petitioners believe that PJM's request for waiver of the requirement to file assignments of cost responsibility for network transmission upgrades that will operate below 500 kV is appropriate, given that the methodology for such assignments has been set for hearing. However, Joint Petitioners request that the Commission clarify that such waiver is without prejudice to customers' ability to protest the assignments of cost responsibility when PJM ultimately files as to the upgrades.

## **VI. Discussion**

31. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the notices of intervention and the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

32. Given the early stage of the proceeding, their interests, and the absence of undue prejudice or delay, we will grant the motions to intervene of Dominion, PPL Electric and the FirstEnergy Companies.

33. The Commission conditionally accepts for filing the revised tariff sheets filed by PJM on July 23, 2007, suspends them for a nominal period to become effective October 21, 2007, subject to refund and to the outcome of further proceedings related to Opinion No. 494 and Docket No. ER06-456, *et al.*, and directs PJM to make a compliance filing. In the July 23, 2007 filing, PJM allocated the costs for five baseline upgrades that will operate at or above 500 kV on a region-wide basis. The allocation of the costs of facilities at or above 500 kV is the subject of Opinion No. 494, as to which rehearing is currently pending. Moreover, PJM's compliance filing to Opinion No. 494 proposes changes to Schedule 12 for allocating the costs of facilities that operate at or above 500 kV and the lower voltage facilities necessary to support them, which also is currently pending. Because these filings bear upon the outcome of this proceeding, we will conditionally accept and suspend PJM's filing in this case and make it effective subject to refund and to the outcome of the proceedings in Docket No. EL05-121. Under these circumstances, we do not find it necessary to formally consolidate this proceeding with the proceeding established in Docket No. EL05-121.

34. Also in the July 23, 2007 filing, PJM allocated costs to merchant transmission facilities based on the withdrawal rights associated with existing or planned merchant transmission facilities for which an interconnection service agreement has been executed. We note that, in the previous RTEP orders, the Commission set for hearing "PJM's proposed cost allocations to merchant transmission projects... to ensure that the method by which PJM has allocated costs to these responsible customers is not unduly discriminatory or preferential, and that the proposed allocation directly correlates to their contribution to the need for such reliability upgrades."<sup>25</sup> Because these filings bear upon

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<sup>25</sup> May 26 Order at P 51; August 3 Order at P 35; October 18 Order at P 48.

the outcome of this proceeding, we likewise will conditionally accept the instant filing and suspend it, to become effective subject to refund and to the outcome of the proceeding in Docket No. ER06-456, *et al.* We do not see a need to consolidate PJM's July 23, 2007 filing with the proceeding established in the previous RTEP orders at this time. The Rehearing Order directed PJM to develop a methodology for determining "beneficiary pays" for projects that operate below 500 kV. The Rehearing Order also stated that parties were free to pursue their concerns about the allocation of costs to merchant transmission projects.<sup>26</sup> As stated elsewhere in this order, we are granting waiver of the 30-day filing requirement for cost responsibility assignments for upgrades that will operate below 500 kV. As we are directing PJM to apply the resolution of the proceeding in Docket No. ER06-456, *et al.* when it files these cost responsibility assignments, parties may raise their concerns once Docket No. ER06-456, *et al.* is resolved and the resulting filings are made.

35. Exelon and ICC raise issues in this proceeding that are also raised on rehearing of Opinion No. 494. Such issues will be addressed in that proceeding.

36. ODEC protests that PJM did not comply with its filed tariff, by improperly excluding transformers with a high side voltage of 500 kV or above from the class of "Regional Facilities" entitled to region-wide cost allocation, as well as certain facilities operating below 500 kV that are "necessary to construct a particular new project that operates at 500 kV and above." As also noted by ODEC, the issue of how to treat transformers is raised in protests to the PJM compliance filing in Docket No. EL05-121. In addition, several parties protest as unduly discriminatory PJM's method of using planned withdrawal rights to allocate cost responsibility to merchant transmission facilities for RTEP projects that operate at or above 500 kV.

37. Should we ultimately accept PJM's compliance filing in Docket No. EL05-121, we will require further explanation as to whether the transformers and allocation to merchant transmission facilities in this proceeding comply with the PJM tariff. We will therefore require PJM to make a compliance filing within 60 days to address whether the allocations in this proceeding are consistent with its pending tariff sheets. Should the Commission ultimately require modifications to PJM's pending tariff sheets in the Docket No. EL05-121 proceeding, PJM will, of course, be required to refile its allocations, including those at issue in this proceeding, to comply with that order and parties will have the opportunity at that time to consider how such modifications affect the projects involved in this proceeding.

38. AEP requests that the Commission confirm that the designations of responsible parties in proposed Schedule 12 are preliminary and subject to further consideration if a dispute should arise over such designations. The July 23, 2007 filing, Attachment B

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<sup>26</sup> Rehearing Order at P 20.

includes Cost Responsibility Assignment Summaries, which includes both cost and construction responsibilities. The filing does not detail whether these responsibility assignments are preliminary, or the basis of these determinations. PJM is directed to provide a compliance filing within 60 days of the date of this order to address AEP's concerns. Disputes regarding the cost responsibility assignments should follow the procedures established in the PJM Operating Agreement.

39. The methodology for allocating costs to upgrades that operate below 500 kV is currently under consideration in the proceedings established in the previous RTEP orders. Therefore, we find that it is appropriate to grant waiver of the PJM tariff requirement that, within 30 days after PJM Board approval, PJM file a report of cost responsibility assignments with the Commission for projects that operate below 500 kV. We direct PJM to make the required filing of assignments of cost responsibility for facilities that operate below 500 kV within 30 days of a resolution in the proceeding established in Docket No. ER06-456, *et al.* Parties may raise issues with these upgrades at that time.<sup>27</sup>

The Commission orders:

(A) PJM's revised tariff sheets are hereby conditionally accepted for filing and suspended for a nominal period to become effective on October 21, 2007, subject to refund and to the outcome of further proceedings, as discussed in the body of this order.

(B) PJM is hereby directed to make a compliance filing, as discussed in the body of this order

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>27</sup> On September 14, 2007, PJM filed an offer of Settlement and Partial Settlement in Docket No. ER06-456, *et al.*