

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider. The charges for Scheduling, System Control and Dispatch Service from PJM Interconnection, L.L.C. are set forth on an unbundled basis among the subsidiary schedules of Schedule 9, "PJM Interconnection, L.L.C. Administrative Services," of this Tariff.

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SCHEDULE 1A

Transmission Owner Scheduling, System Control and Dispatch Service

Scheduling, System Control and Dispatch Service is provided directly by the Transmission Provider under Schedule 1. The Transmission Customer must purchase this service from the Transmission Provider. Certain control center facilities of the Transmission Owners also are required to provide this service. This Schedule 1A sets forth the charges for Scheduling, System Control and Dispatch Service based on the cost of operating the control centers of the Transmission Owners.

The charges for operation of the control centers of the Transmission Owners shall be determined by multiplying the applicable rate as follows times the Transmission Customer's use of the Transmission System on a megawatt-hour basis:

(A) for a Transmission Customer serving Zone Load:

<u>Zone</u>	<u>Rate (\$/MWh)</u>
Atlantic City Electric Company	0.0781
Baltimore Gas and Electric Company	0.0430
Delmarva Power & Light Company	0.0743
PECO Energy Company	0.1189
PP&L, Inc. Group	0.0618
Potomac Electric Power Company	0.0186
Public Service Electric and Gas Company	0.1030
Jersey Central Power & Light Company	0.0796
Metropolitan Edison Company	0.0796
Pennsylvania Electric Company	0.0796
Rockland Electric Company	0.2475

(B) For a Transmission Customer serving Non-Zone Load (a Network Customer serving Non-Zone Network Load or a Transmission Customer taking Point-to-Point service where the Point of Delivery is at the boundary of the area comprised of the PJM West Region and PJM Control Area):

\$0.0759/MWh

Each month, the Transmission Provider shall pay to each Transmission Owner an amount equal to the charges billed for that Transmission Owner's zone pursuant to (A) above, plus that Transmission Owner's share as stated below of the charges billed to Transmission Customers serving Non-Zone Network Load pursuant to (B) above:

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<u>Transmission Owner</u>	<u>Share (%)</u>
Atlantic City Electric Company	4.2
Baltimore Gas and Electric Company	6.9
Delmarva Power & Light Company	6.5
PECO Energy Company	22.8
PP&L, Inc. Group	11.7
Potomac Electric Power Company	2.8
Public Service Electric and Gas Company	22.8
Jersey Central Power & Light Company	11.2
Metropolitan Edison Company	3.7
Pennsylvania Electric Company	5.7
Rockland Electric Company	1.7

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SCHEDULE 9

PJM Interconnection, L.L.C. Administrative Services

a) PJM Interconnection, L.L.C. is the Transmission Provider under this Tariff. It also operates the PJM Interchange Energy Market as described in the Appendix to Attachment K of this Tariff and provides various other services to market participants. The cost of operating the PJM Interconnection, L.L.C., including principal and/or depreciation expense, interest expense and financing costs, shall be recovered from users of the various PJM services under this Schedule 9 and its subsidiary Schedules which correspond to categories of services ("Service Categories") provided by PJM. The charge in any month to any user of PJM's services under this Schedule 9 is the sum of the charges under the following subsidiary Schedules of this Schedule 9 to the extent determined to be applicable by the Transmission Provider to such user in such month:

Schedule 9-1:	"Control Area Administration Service"
Schedule 9-2:	"Fixed Transmission Rights Administration Service"
Schedule 9-3:	"Market Support Service"
Schedule 9-4:	"Regulation and Frequency Response Administration Service"
Schedule 9-5:	"Capacity Resource and Obligation Management Service"

b) The rates, terms, conditions, and applicability of these subsidiary services of this Schedule 9 are set forth on the subsidiary Schedules of this Schedule 9.

c) This Schedule 9 also includes a subsidiary Schedule 9-6, "Management Services Cost," which shall govern the determination and allocation of certain overhead and administrative costs among subsidiary Schedules 9-1 through 9-5.

d) Each of the subsidiary Schedules 9-1 through 9-5 of this Schedule 9 contains a formula for determination of the rate or charge thereunder. The rates and charges for Schedule 9-1 shall be determined monthly based on the costs incurred in such month, pursuant to the formulas set forth in such schedule. The rates and charges for Schedules 9-2 through 9-5 shall be determined annually pursuant to the formulas in such schedules, effective January 1 of each calendar year, based on PJM's Approved Budget applicable to such calendar year (subject to the rate moderation plan prescribed by paragraph (i) below) and on projected billing determinants forecasted in connection with such budget. The variance each month between the actual costs incurred to provide the services under Schedules 9-2 through 9-5 in such month and the actual revenues from Schedules 9-2 through 9-5 in such month shall be added to, or subtracted from, the total amount to be recovered under Schedule 9-1 in the month immediately following the month in which such variance occurred, pursuant to the formula set forth in Schedule 9-1; provided, however, that this reconciliation of variances between actual costs and revenues shall take into account the rate moderation plan prescribed by paragraph (i) below.

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e) PJM shall assign to the subsidiary Schedules its costs and expenses accounted for in established Divisions based on the PJM Assignment Matrix included in this Schedule 9. All references herein and in the subsidiary Schedules to PJM's Divisions shall be interpreted to refer also to the Corporate Items Cost Center that also is shown on the PJM Assignment Matrix. In addition to such costs, PJM shall annually assign to each such Schedule its appropriate share of certain costs and expenses that are not recorded in the divisional budgets ("Non-Divisional Costs"), including, but not limited to, (i) the annual Approved Budget for operating or working capital reserves and financial covenant requirements; (ii) the annual Approved Budget for operating projects or portions of operating projects; and (iii) the annual Approved Budget for expenses related to capital projects. The assignment of operating or working capital reserves and financial covenant requirements shall be based on PJM's assignment of its assets among such Schedules. PJM shall assign to each Schedule each year a proportion of the total amounts for such reserves and financial covenant requirements equal to the proportion of (i) the projected gross value of the assets assigned to such Schedule to (ii) the projected gross value of all assets of PJM that are assigned to any subsidiary schedule of this Schedule 9, as of December 31 of each year for which the rates are applicable. The assignment of operating projects and expenses related to capital projects shall be on the basis of the service for which such projects are instituted.

f) In addition to subsidiary schedules 9-1 through 9-5, this Schedule 9 also includes a separate subsidiary schedule 9-FERC, which is designed to reover PJM's costs for the annual charges assessed on PJM by FERC. No Non-Divisional Costs, overhead or other PJM costs are allocated to Schedule 9-FERC.

g) PJM shall post on its Internet site by October 31 each calendar year PJM's recalculated rates and charges determined under Schedules 9-2 through 9-5 and 9-FERC that shall be effective during the subsequent calendar year. At such time, PJM also shall post on its Internet site PJM's estimate of the monthly rates under Schedules 9-1 that will be effective for each month of the subsequent calendar year. Additionally, at such time, PJM shall post on its Internet site the amount of annual operating projects, capital projects, operating reserves, working capital reserves, and financial covenant requirements assigned to each subsidiary Schedule under this Schedule 9. PJM shall provide supporting details and workpapers, including billing determinant projections and the alignment of PJM's assets, operating projects, and capital projects with the Service Categories, to any user upon request and upon such user's execution of a confidentiality agreement provided by PJM, as necessary to protect personnel data, trade secrets, or other sensitive or confidential data.

h) As used in this Schedule 9 and in the subsidiary Schedules of this Schedule 9, the following terms shall have the following meanings:

- (1) "Approved Budget" shall mean the budget approved by the PJM Board in accordance with Section 7.5.2 of the Operating Agreement, which shall reflect credits or offsets for the revenues or reimbursements that PJM projects to receive from the recipients of Assigned Services;
- (2) "Actual Costs" shall mean costs, expenses, disbursements and other amounts incurred (whether paid or accrued); and

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- (3) “Assigned Services” shall mean services provided by PJM in response to specific requests of specific identified entities, including, but not limited to, support provided by PJM to MAAC and System Impact Studies and Facilities Studies performed by PJM pursuant to this Tariff.

i) In addition to the redetermination procedures provided above for the subsidiary Schedules of this Schedule 9, PJM shall have the one-time right to calculate and place into effect changes to the rates and charges under such Schedules based on the formulas in such schedules and based on the cost effects of the acquisition and development of certain assets and related financing anticipated by PJM. The timing of such rate recalculation shall be determined by the timing of such asset acquisition and financing and shall be effective on the first day of a calendar month that is at least 30 days after notice of such recalculation is posted on the PJM Internet site. Such posting shall include the same type of information and shall be subject to the same procedures as set forth in paragraph (f) above.

j) For purposes of determining the costs to be recovered each year under the formula rates of this Schedule 9, PJM’s capital costs (including depreciation and/or principal, interest expense, and financing costs, but not including operation and maintenance expenses) of acquiring from certain transmission facility owners the capital projects and related assets, rights and licenses (“Facilities Costs”) that are the subject of an agreement that PJM has reached with such owners to purchase certain hardware, software, and similar assets that were funded by the owners and used by PJM (“Facilities Agreement”) shall be included in PJM’s rates pursuant to a rate moderation plan in accordance with the following requirements:

- (1) the Facilities Costs shall be phased in to PJM’s rates and charges under this Schedule 9 over a period of five years;

the amount of Facilities Costs to be recovered by PJM in the first year of such phase-in shall be one-third of the annual amount of Facilities Costs projected (with such projection made prior to the first year, at the time when the first-year rates are determined under this Schedule 9) to be recovered in the third year of such phase-in (including any prior-year deferrals to be recovered in such third year);

the amount of Facilities Costs to be recovered by PJM in the second year of such phase-in shall be two-thirds of the annual amount of Facilities Costs projected (with such projection made prior to the second year, at the time when the second-year rates are determined under this Schedule 9) to be recovered in the third year of such phase-in (including any prior-year deferrals to be recovered in such third year).

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the amount of Facilities Costs to be recovered by PJM in the third year of such phase-in shall be the annual amount of Facilities Costs in such year as determined by generally accepted accounting principles without regard to any rate moderation plan, plus the deferrals and financing costs described in (5) below.

- (5) the Facilities Costs that are not recovered in the first and second years of the phase-in will be deferred and recovered (with PJM's costs of financing such deferrals) beginning in the third year of the phase-in; provided, however, that no more than one-third of the total costs deferred from the first and second years (and PJM's costs of financing such deferrals) will be recovered in the third year.
- (6) all deferred costs (and all of PJM's costs of financing such deferrals) will be collected in full by the end of the fifth year.

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SCHEDULE 9-1

Control Area Administration Service

a) Control Area Administration Service comprises all of the activities of PJM associated with preserving the reliability of the Control Areas of the PJM Control Area and PJM West Region and administering Point-to-Point Transmission Service and Network Integration Transmission Service. PJM provides Control Area Administration Service to customers using Point-to-Point or Network Integration Transmission Service under this Tariff.

b) PJM will charge each user of Control Area Administration Service each month a charge equal to the Monthly Control Area Administration Service Rate defined below times the total quantity in MWhs of energy delivered during such month by such user as a transmission customer under this Tariff for Point-to-Point Transmission Service or Network Integration Transmission Service.

c) The Monthly Control Area Administration Service Rate ("MCAASR") shall be calculated each month in accordance with the formula:

$$\text{MCAASR} = \frac{\text{CAASME} + (\text{MACPM} - \text{MARPM})}{\text{PJMTHTU}}$$

where:

MCAASR is the Monthly Control Area Administration Service Rate

CAASME, Control Area Administration Service monthly expenses, is the Actual Costs assigned to the Control Area Administration Service, calculated as the sum of A.1 plus A.2 plus A.3 for the month for which MCAASR is being calculated, where:

"A.1" equals the sum of the products of: (i) the assignment percentage for each of the Divisions associated with Control Area Administration Service, as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division's Actual Costs in the month for which MCAASR is being calculated.

"A.2" equals an allocation to the Control Area Administration Service of PJM's Actual Costs for Management Service Cost during the month for which MCAASR is being calculated, based on the formula in Schedule 9-6; provided, however, that monthly Actual Costs shall be used in the formula in each instance where such formula references amounts from PJM's annual Approved Budget.

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“A.3” equals PJM’s Actual Costs for Non-Divisional Costs that are assigned to Control Area Administration Service for the month for which MCAASR is being calculated.

MACPM, monthly actual cost prior month, is PJM’s Actual Costs in the aggregate for service under Schedules 9-2 through 9-5 for the month immediately preceding the month for which MCAASR is being calculated.

MARPM, monthly actual revenue prior month, is the revenue billed under Schedules 9-2 through 9-5 for the month immediately preceding the month for which MCAASR is being calculated.

PJMTHTU, PJM total hourly transmission usage, is the actual total quantity in MWhs of energy delivered under Point-to-Point or Network Integration Transmission Service by all customers during the month for which MCAASR is being calculated.

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SCHEDULE 9-2

Fixed Transmission Rights Administration Service

a) Fixed Transmission Rights Administration Service comprises all of the activities of PJM associated with administering the Fixed Transmission Rights ("FTRs") provided for under Attachment K to this Tariff, including, but not limited to, coordination of FTR bilateral trading, administration of FTR auctions, support of PJM's on-line, Internet-based eFTR tool, and analyses to determine what total combination of FTRs can be outstanding and accommodated by the PJM system at a given time. PJM provides this service to entities that hold FTRs.

b) PJM will charge each user of Fixed Transmission Rights Administration Service each month a charge equal to the Fixed Transmission Rights Administration Service Rate defined below times the quantity in megawatts of all FTRs held by such user in each hour of such month, summed for each hour that such user holds FTRs during such month during the time period such FTR is in effect.

c) The Fixed Transmission Rights Administration Service Rate shall be recalculated annually, effective January 1 each year, in accordance with the formula:

$$\text{FTR Service Rate} = \frac{\text{Annual FTR Cost}}{\text{Annual FTR Determinants}}$$

where:

"Annual FTR Cost" equals the sum of the FTR Cost Components A.1 + A.2 + A.3, defined as follows:

"A.1" equals the sum of the products of: (i) the assignment percentage for each of the Divisions associated with Fixed Transmission Rights Administration Service as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division shown on the Approved Budget for the calendar year during which the Fixed Transmission Rights Administration Service Rate shall be effective.

"A.2" equals the Overhead Allocation to Fixed Transmission Rights Administration Service determined pursuant to Schedule 9-6.

"A.3" equals the assignment of Non-Divisional Costs to Fixed Transmission Rights Administration Service based on the Approved Budget for the calendar year for which the Annual FTR Cost is being determined.

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and where

“Annual FTR Determinants” equals the projected total amount of Fixed Transmission Rights, in MWs, expected to be in effect each hour for all holders of Fixed Transmission Rights during the calendar year that the Fixed Transmission Rights Administration Service Rate shall be effective, summed for each hour of such calendar year.

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SCHEDULE 9-3

Market Support Service

a) Market Support Service comprises all of the activities of PJM associated with supporting the operation of the PJM Interchange Energy Market and related functions, as described in Schedule 1 of the Operating Agreement and the Appendix to Attachment K to this Tariff, including, but not limited to, market modeling and scheduling functions, locational marginal pricing support, market settlements and billing, support of PJM's Internet-based customer interactive tool known as eSchedules, and market monitoring. PJM provides this service to customers using Point-to-Point or Network Integration Transmission Service under this Tariff and to Generation Providers, as defined below.

b) PJM will charge each user of Market Support Service each month a charge equal to the Market Support Service Rate defined below times the total quantity in MWhs of energy delivered to load in the area comprised of the PJM West Region and PJM Control Area or for export from such area during such month by such user as a customer under Point-to-Point Transmission Service (other than Wheeling-Through Service, as defined below) or Network Integration Transmission Service, plus the total quantity in MWhs of energy input into the Transmission System during such month by such user as a Generation Provider, as defined below. For purposes of this Schedule 9-3, Wheeling-Through Service is Point-to-Point Transmission Service for which both the Point of Receipt and the Point of Delivery are at interconnections of the area comprised of the PJM West Region and PJM Control Area with other Control Areas.

c) For purposes of this Schedule 9-3, a Generation Provider shall be: (i) a Generation Owner, as such term is defined in the Operating Agreement; provided, however, that if a Generation Owner is not the entity credited on PJM's records for the energy input into the Transmission System from the generation facilities owned or leased (with rights equivalent to ownership) by such Generation Owner, as, for example, in the case of a qualifying facility selling energy to a public utility pursuant to section 210 of the Public Utility Regulatory Policies Act of 1978, then, with respect to such energy, the Generation Provider shall be the entity credited on PJM's records for the energy input into the Transmission System from such generation facilities; (ii) a Network Customer or Point-to-Point Transmission Service Customer, with respect to energy arranged by such customer to be delivered for import into the area comprised of the PJM West Region and PJM Control Area; or (iii) a Market Seller (as such term is defined in the Operating Agreement) with respect to energy arranged by such Market Seller to be delivered for import to the boundaries of the area comprised of the PJM West Region and PJM Control Area and for which there is no separately identifiable Transmission Customer. As the term is used in this Schedule 9-3, energy "credited on PJM's records" does not necessarily mean that a monetary credit resulted on any billing statement provided by PJM.

d) Beginning as of the first day of the third year after this Schedule 9 becomes effective, the Market Support ("MS") Service Rate shall be recalculated annually, effective January 1 each year, in accordance with the formula:

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$$\text{MS Service Rate} = \frac{\text{Annual MS Cost}}{\text{Annual MS Determinants}}$$

where:

“Annual MS Cost” equals the sum of the MS Cost Components A.1 + A.2 + A.3, defined as follows:

“A.1” equals the sum of the products of: (i) the assignment percentage for each of the Divisions associated with Market Support Service as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division shown on the Approved Budget for the calendar year during which the Market Support Service Rate shall be effective.

“A.2” equals the Overhead Allocation to Market Support Service as determined pursuant to Schedule 9-6.

“A.3 equals the assignment of Non-Divisional Costs to Market Support Service based on the Approved Budget for the calendar year for which the Annual MS Cost is being determined.

and where

“Annual MS Determinants” equals the projected total quantity in MWhs of the energy to be delivered by all customers under Point-to-Point or Network Integration Transmission Service (less the MWhs of energy delivered as Wheeling-Through Service), plus the projected total quantity in MWhs of energy to be input into the Transmission System by all Generation Providers, for the calendar year during which the Market Support Service Rate shall be effective.

e) During the first two years that this Schedule 9 is effective, PJM shall establish separate MS Service Rates for: 1) Generation Providers and 2) Point-to-Point Transmission Service and Network Integration Transmission Service Customers (“Transmission Customers”) determined in accordance with the following principles:

- (i) PJM shall separately project each such year the total quantity in MWhs to be delivered by all Transmission Customers (“TC MS Determinants”) and the total quantity in MWhs to be input by all Generation Providers (“GP MS Determinants”).
- (ii) PJM shall determine the portion of the Annual MS Cost to be recovered from Generation Providers (“Annual GP MS Cost”) as:

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$$\frac{(\text{Annual MS Cost}) * (\text{GP MS Determinants})}{(\text{Annual MS Determinants})} - \frac{[(\text{Mitigation Factor}) * (\text{Mitigable MS Cost}) * (\text{GP MS Determinants})]}{(\text{Annual MS Determinants})}$$

where:

Mitigable MS Cost equals the Annual MS Cost less the portion thereof attributable to the projected capital and operating expenses associated with New Capital Projects;

And:

New Capital Projects means all capital projects other than those that are the subject of the Facilities Agreement.

- (iii) PJM shall determine the Annual MS Cost to be recovered from Transmission Customers as $(\text{Annual TC MS Cost}) = (\text{Annual MS Cost}) - (\text{Annual GP MS Cost})$.
- (iv) The Mitigation Factor for the first year that this Schedule 9 is effective shall be 0.667.
- (v) The Mitigation Factor for the second year that this Schedule 9 is effective shall be 0.333.
- (vi) For each of the first two years that this Schedule 9 is effective, PJM shall determine the MS Service Rate for Generation Providers as

$$\text{GP MS Service Rate} = \frac{\text{Annual GP MS Cost}}{\text{GP MS Determinants}}$$

- (vii) For each of the first two years that this Schedule 9 is effective, PJM shall determine the MS Service Rate for Transmission Customers as

$$\text{TC MS Service Rate} = \frac{\text{Annual TC MS Cost}}{\text{TC MS Determinants}}$$

- (viii) The proportions of total Annual MS Cost to be recovered from Generation Providers and from Transmission Customers shall be based on the projected GP MS Determinants and the projected TC MS Determinants each year and, for purposes of the monthly true-up mechanism in Schedule 9-1, shall remain fixed during such year.

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SCHEDULE 9-4

Regulation and Frequency Response Administration Service

a) Regulation and Frequency Response Administration Service comprises all of the activities of PJM associated with administering the provision of Regulation and Frequency Response Service under Schedule 3 of this Tariff. PJM provides this service to Load Serving Entities and to generators that provide regulation in accordance with Schedule 3.

b) PJM will charge a one-time sign-on fee of \$3,600 to each new or reconfigured regulating generator requiring qualification or reverification to participate in activities under Schedule 3 after January 1, 2000.

c) PJM will charge each user of Regulation and Frequency Response Administration Service each month a charge equal to the Regulation and Frequency Response Administration Service Rate defined below times the MWhs of such user's hourly regulation objective as a Load Serving Entity determined pursuant to Schedule 3, plus the MWhs of regulation scheduled (including self-scheduling) from generating units owned by such User, summed for each hour in such month.

d) The Regulation and Frequency Response Administration ("RFRA") Service Rate shall be recalculated annually, effective January 1 each year, in accordance with the formula:

$$\text{RFRA Service Rate} = \frac{(\text{Annual RFRA Cost}) - (\text{Sign-on Revenues})}{\text{Annual RFRA Determinants}}$$

where:

"Annual RFRA Cost" equals the sum of the RFRA Cost Components A.1 + A.2 + A.3, defined as follows:

"A.1" equals the sum of the products of: (i) the assignment percentage for each of the Divisions associated with Regulation and Frequency Response Administration Service as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division shown on the Approved Budget for the calendar year during which the Regulation and Frequency Response Administration Service Rate shall be effective.

"A.2" equals the Overhead Allocation to Regulation and Frequency Response Administration Service as determined pursuant to Schedule 9-6.

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“A.3” equals the assignment of Non-Divisional Costs to Regulation and Frequency Response Administration Service based on the Approved Budget for the calendar year for which the Annual RFRA Cost is being determined.

“Sign-On Revenues” equals the sum of the revenues projected to be billed, during the calendar year for which the Regulation and Frequency Response Administration Service Rate shall be effective, for the sign-on fee provided under paragraph (b) of this Schedule 9-4.

and where

“Annual RFRA Determinants” equals the projected MWhs of the PJM Regulation Requirement, as defined in Schedule 3, in total for the PJM Control Area and PJM West Region, plus the projected MWhs of regulation to be scheduled (including self-scheduling) from all generating units qualified to supply regulation in the PJM regulation market, in total for the PJM Control Area and PJM West Region, summed for all hours of the calendar year during which the Regulation and Frequency Response Administration Service Rate shall be effective.

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SCHEDULE 9-5

Capacity Resource and Obligation Management Service

a) Capacity Resource and Obligation Management Service comprises the activities of PJM associated with (i) assuring that customers have arranged for sufficient generating capacity to meet their installed capacity obligations under the RAA and RAA-West; (ii) processing Network Integration Transmission Service; and (iii) administering the capacity credit market in the PJM Control Area and available capacity credit market in the PJM West Region and (iv) administering or providing technical support for the Reliability Assurance Agreement (“RAA”) and Reliability Assurance Agreement-West (“RAA-West”) (as delegated to PJM under the RAA and RAA-West), including, but not limited to, long-term load forecasting, studies to establish reserve requirements, and the determination of each Load-Serving Entity’s capacity obligations. PJM’s eCapacity Internet-based tool enables many of these functions. PJM provides this service to Load-Serving Entities and to owners of Capacity Resources and Available Capacity Resources, as such terms are defined in the RAA and RAA-West.

b) PJM will charge each new user that registers to use eCapacity after January 1, 2000 a one-time sign-on fee of \$5,000. The sign-on fee shall be assessed once per each signatory to either the RAA or RAA-West. The fee provided hereunder shall not be assessed to entities that were signatories to the Reliability Assurance Agreement prior to January 1, 2000. PJM may waive this charge in cases where an existing signatory requests a change solely as a result of a merger, name change, or similar event.

c) In addition to any charge under paragraph (b), PJM will charge each Load-Serving Entity in the PJM Control Area each month a charge equal to the East Capacity Resource and Obligation Management Service Rate defined below times the summation for each day of such month of the Accounted-For Obligation of such user, as determined for each such day pursuant to Schedule 7 of the Reliability Assurance Agreement; provided, however, that in calculating such user’s Accounted-For Obligation for purposes of this Schedule 9-5, such user’s ALM load credits shall not be deducted from such user’s diversity-factor-adjusted summer peak, as would otherwise be calculated under the formula set forth in such Schedule 7.

d) In addition to any charge under paragraphs (b) or (c), PJM will charge each owner of Capacity Resources each month a charge equal to the East Capacity Resource and Obligation Management Service Rate defined below times such owner’s total share, in MWs, of the Unforced Capacity of all Capacity Resources owned in whole or in part by such owner, where such owner’s share of the Unforced Capacity of each Capacity Resource partially owned by such owner shall be in proportion to such owner’s percentage ownership interest in such Capacity Resource, and where the Unforced Capacity of each Capacity Resource shall be the Unforced Capacity most recently determined in accordance with the Reliability Assurance Agreement for such Capacity Resource, for each day of the month for which the charge under this paragraph (d) is being calculated.

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e) In addition to any charge under paragraph (b), PJM will charge each Load-Serving Entity in the PJM West Region each month a charge equal to the West Capacity Resource and Obligation Management Service Rate defined below times the summation for each day of such month of the Daily Available Capacity Obligation of such user, as determined for each such day pursuant to Schedule 3 of the RAA-West.

f) In addition to any charge under paragraphs (b) or (e), PJM will charge each owner of Available Capacity Resources each month a charge equal to the West Capacity Resource and Obligation Management Service Rate defined below times such owner's total share, in MWs, of the Available Capacity Resources owned in whole or in part by such owner, where such owner's share of the Available Capacity Resource partially owned by such owner shall be in proportion to such owner's percentage ownership interest in such Available Capacity Resource, for each day of the month for which the charge under this paragraph (f) is being calculated. For purposes of this paragraph (f), an owner of Available Capacity Resources shall include, with respect to Qualified Interruptible Load or Qualified Contingency Assistance, the Load Serving Entity or other entity that has obtained certification from PJM of such resource as a Qualified Available Capacity Resource.

g) The East Capacity Resource and Obligation Management ("CROM") Service Rate shall be recalculated annually, effective January 1 each year, in accordance with the formula:

$$\text{East CROM Service Rate} = (\text{East Allocation Factor}) \frac{[(\text{Annual CROM Cost}) - (\text{Sign-On Revenues})]}{\text{East CROM Determinants}}$$

where:

"East Allocation Factor" equals the ratio of (i) the sum of the annual (non-coincident) peak loads of the Zones in the PJM Control Area to (ii) the sum of the annual (non-coincident) peak loads of the Zones in the PJM Control Area and those in the PJM West Region.

"Annual CROM Cost" equals the sum of the CROM Cost Components A.1 + A.2 + A.3, defined as follows:

"A.1" equals the sum of the products of: (i) the assignment percentage for each of the Divisions associated with Capacity Resource and Obligation Management Service as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division shown on the Approved Budget for the calendar year for which the Annual CROM Cost is being determined:

"A.2" equals the Overhead Allocation to Capacity Resource and Obligation Management Service as determined pursuant to Schedule 9-6.

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“A.3 equals the assignment of Non-Divisional Costs to CROM Service based on the Approved Budget for the calendar year for which the Annual CROM Cost is being determined; provided that Non-Divisional Costs of projects instituted for the PJM Control Area shall be directly assigned to the East CROM Service Rate and Non-Divisional Costs of projects instituted for the PJM West Region shall be directly assigned to the West CROM Service Rate.

“Sign-On Revenues” equals the sum of the revenues projected to be billed, during the calendar year for which the Capacity Resource and Obligation Management Service Charge shall be effective, for the sign-on fee provided under paragraph (b) of this Schedule 9-5.

and where

“East CROM Determinants” equals the projected summation of the Accounted-For Obligations (calculated without any deductions for ALM load credits) of all Load-Serving Entities for all days in the calendar year for which the Capacity Resource and Obligation Management Service Rate is being determined plus the total quantity in MWs of the Unforced Capacity of all Capacity Resources used to serve load in the PJM Control Area projected for all days in the calendar year during which the East Capacity Resource and Obligation Management Service Rate shall be effective.

h) The West Capacity Resource and Obligation Management (“CROM”) Service Rate shall be recalculated annually, effective January 1 each year, in accordance with the formula:

$$\text{West CROM Service Rate} = (\text{West Allocation Factor}) \frac{[(\text{Annual CROM Cost}) - (\text{Sign-On Revenues})]}{\text{West CROM Determinants}}$$

where:

“West CROM Determinants” equals the projected summation of the Daily Available Capacity Obligations of all Load-Serving Entities for all days in the calendar year for which the West Capacity Resource and Obligation Management Service Rate is being determined plus the total quantity in MWs of all Available Capacity Resources used to serve load in the PJM West Region (including Qualified Interruptible Load and Qualified Contingency Assistance) projected for all days in the calendar year during which the West Capacity Resource and Obligation Management Service Rate shall be effective.

“West Allocation Factor” equals the ratio of (i) the sum of the annual (non-coincident) peak loads of the Zones in the PJM West Region to (ii) the sum of the annual (non-coincident) peak loads of the Zones in the PJM West Region and those in the PJM Control Area.

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SCHEDULE 9-6

Management Service Cost

a) Management Service Cost is not a separate service by PJM. Rather, Management Service Cost comprises the cost of overhead and administrative activities performed by PJM which support PJM's provision of the services described in subsidiary Schedules 9-1 through 9-5 of this Schedule 9. Management Service Cost is to be allocated each year among such services in accordance with the following formula:

Overhead Allocation =

$$\text{Total Overhead Cost} * \frac{\text{Subsidiary Schedule Assigned W\&S}}{(\text{Total W\&S}) - (\text{Overhead W\&S})}$$

"Total Overhead Cost" equals the sum A.1 + A.2, defined as follows:

"A.1" equals the sum of the products of: (i) the assignment percentage for each of the PJM Divisions associated with Management Service, as shown on the PJM Assignment Matrix in this Schedule 9, times (ii) the dollar amount for each such Division shown on the Approved Budget for the calendar year for which the Overhead Allocation is being determined.

"A.2" equals the assignment of Non-Divisional Costs to Management Service based on the Approved Budget for the calendar year for which the Overhead Allocation is being determined.

"Subsidiary Schedule Assigned W&S" equals the dollar amount of the Wages & Salaries of employees of PJM Interconnection, L.L.C. (less overtime) assigned to such subsidiary Schedule of this Schedule 9 as a result of the Division assignments prescribed by such subsidiary Schedule, from the Approved Budget for the calendar year for which the Overhead Allocation is being determined. The sum of the amounts of the Subsidiary Schedule Assigned W&S for subsidiary Schedules 9-1 through 9-5 of this Schedule 9 shall equal the net of (Total W&S) minus (Overhead W&S).

"Total W&S" equals the total dollar amount of the Wages & Salaries of employees of PJM Interconnection, L.L.C. (less overtime) for all of PJM's Divisions from the Approved Budget for the calendar year for which the Overhead Allocation is being determined.

"Overhead W&S" equals the total dollar amount of the Wages & Salaries of employees of PJM Interconnection, L.L.C. (less overtime) assigned to Management Service as a result of the Division assignments from item A.1 of this Schedule 9-6 for the calendar year for which the Overhead Allocation is being determined.

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SCHEDULE 9

PJM INTERCONNECTION, L.L.C. ADMINISTRATIVE SERVICES

PJM ASSIGNMENT MATRIX

Division	Schedule 9-1 Control Area Admin. Service	Schedule 9-2 FTR Admin. Service	Schedule 9-3 Market Support Service	Schedule 9-4 Regulation and Frequency Response Admin. Service	Schedule 9-5 Capacity Resource & Oblig. Mgmt Service	Schedule 9-6 Management Service	Total
0 Executive Office	10.1%	0.6%	4.3%	0.2%	0.9%	83.9%	100.0%
1 Finance	11.1%	0.5%	6.1%	0.4%	1.4%	80.5%	100.0%
2 Information Services	21.8%	0.9%	11.9%	0.4%	1.3%	63.7%	100.0%
3 System Coordination	34.4%				3.1%	62.5%	100.0%
4 System Operations	71.3%	0.8%	17.0%	5.2%		5.7%	100.0%
5 Market Services	21.0%	11.7%	58.4%	0.3%	5.8%	2.8%	100.0%
6 Corporate Items	15.7%	0.5%	7.4%	0.6%	1.3%	74.5%	100.0%
7 PJM Services	33.2%		0.3%		3.0%	63.5%	100.0%
8 Corporate Development	20.1%	0.4%	2.5%	0.1%	1.8%	75.1%	100.0%

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SCHEDULE 9-FERC

FERC Annual Charge Recovery

a) PJM as a public utility and the Transmission Provider under this Tariff is subject to annual charges assessed by FERC in accordance with Part 382 of FERC's regulations. This Schedule 9-FERC recovers PJM's payments to FERC for the FERC annual charge. FERC assesses its annual charge to PJM and other public utilities based on their total megawatt-hours of transmission of electric energy in interstate commerce. Accordingly, the charge under this Schedule 9-FERC shall be assessed on all megawatt-hours of transmission provided by PJM. PJM provides this service to customers using Point-to-Point and Network Integration Transmission Service under this Tariff.

b) PJM will charge each user of this service each month a charge equal to the FERC Charge Recovery Rate defined below times the total quantity in MWhs of energy delivered during such month by such user as a transmission customer under this Tariff for Point-to-Point Transmission Service or Network Integration Transmission Service.

c) The FERC Charge Recovery Rate ("FCRR") shall be calculated each year in accordance with the formula:

$$\text{FCRR} = \frac{\text{CYFC} + (\text{FCPY} - \text{FCRPY})}{\text{PJMTHTU}}$$

where:

FCRR is the FERC Charge Recovery Rate

CYFC, Current Year FERC Charges, are the costs PJM estimates for FERC Annual Charges related to the year for which FCRR is being calculated, which may include prorated portions of multiple FERC fiscal years.

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FCPY, FERC charge prior year, is the amount invoiced by FERC and paid by PJM for FERC annual charges in the year immediately preceding the year for which FCRR is being calculated.

FCRPY, FERC charge actual recovery prior year, is the amount billed under this Schedule 9-FERC for the year immediately preceding the year for which FCRR is being calculated.

PJMTHTU, PJM total hourly transmission usage, is the actual total quantity in MWhs of energy delivered under Point-to-Point or Network Integration Transmission Service by all customers during the year for which FCRR is being calculated.

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