

SCHEDULE 9-MMU MMU Funding

- a) This Schedule 9-MMU shall recover the costs of providing the market monitoring functions to the PJM region as specified in Tariff, Attachment M. This Schedule 9-MMU recovers PJM's payments to MMU as set forth below. PJM provides this service to all customers using Point-to-Point or Network Integration Transmission Service under this Tariff, to all Generation Providers, and to all entities that submit offers to sell or bids to buy energy in the PJM Interchange Energy Market.
- b) PJM will charge each user of this Schedule 9-MMU service each month a charge equal to the sum of: (i) the MMU Service Rate, Component 1, as stated below, times (1) the total quantity in MWhs of energy delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or for export from such region during such month by such user as a customer under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service, plus (2) the total quantity in MWhs of energy input into the Transmission System during such month by such user as a Generation Provider, plus (3) the total quantity in MWhs of all accepted Increment Offers and accepted Decrement Bids, and all accepted Up-to Congestion Transactions submitted pursuant to Tariff, Attachment K-Appendix, section 1.10.1A(c), submitted by such user during such month; plus (ii) the MMU Service Rate, Component 2, as stated below, times the number of Bid/Offer Segments submitted by such user during such month.
- c) For purposes of this Schedule 9-MMU, Wheeling-Through Service, Generation Provider, and Bid/Offer Segments shall have the same meanings set forth in Tariff, Schedule 9-3.
- d) The MMU Services Rate, Component 1 = $[0.987 \text{ times CYMC}]/\text{VOL1}$; and the MMU Services Rate, Component 2 = $[0.013 \text{ times CYMC}]/\text{VOL2}$,

where

Current Year MMU Charges ("CYMC") are the expenses on an accrual basis in accordance with generally accepted accounting principles for MMU funding determined in accordance with the initial budget amount and thereafter the annual budget approval process set forth in Attachment M, for the year for which the charge under this Schedule 9-MMU is being calculated, with said annual budget adjusted to take into account the MMU's prior year deferred regulatory liability or deferred regulatory asset balance; provided that, such adjustment shall not take account of any actual expenses for the prior year that exceed MMU's approved annual budget for such year, unless the MMU shall have received approval from FERC of an amendment to the MMU's approved annual budget.

VOL1 is PJM's estimate of (1) the total quantity in MWhs of energy to be delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or to be exported from such region under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service during the year for which the charge under this Schedule 9-MMU is being calculated, plus (2)

the total quantity in MWhs of energy to be input into the Transmission System by Generation Providers during the year for which the charge under this Schedule 9-MMU is being calculated plus (3) the total quantity in MWhs of all accepted Increment Offers and accepted Decrement Bids, and all accepted Up-to Congestion Transactions submitted pursuant to Tariff, Attachment K-Appendix, section 1.10.1A(c), to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

VOL2 is PJM's estimate of the number of Bid/Offer Segments to be submitted during the year for which the charge under this Schedule 9-MMU is being calculated.

e) MMU shall document, and advise PJM of, MMU's actual expenses for the prior year no later than March 15, and provide a copy of such documentation to the Finance Committee. Such documentation shall be in a level of supporting detail consistent with that required under Tariff, Attachment M, section III.E.2 for the annual budget. MMU further annually shall provide to PJM and the Finance Committee audited financial statements of revenues and expenses related solely to the services provided to PJM. This requirement is also duplicated in Tariff, Attachment M, section IV

f) PJM shall transmit to MMU, within two (2) Business Days of receipt thereof, the revenue collected under this Schedule 9-MMU.

g) If there is any change in the entity contracted to perform the functions of the MMU under Tariff, Attachment M, then PJM shall determine the revenues received by MMU prior to the change of MMU and compare them to MMU's actual expenses prior to the change of MMU (capped at the level of MMU's approved budget, adjusted to reflect only the portion of the year for which the MMU provided services prior to the change of MMU). PJM shall pay MMU any deficiency, or MMU shall pay PJM any credit, as indicated by such comparison. Such true-up payments associated with any change in the entity performing the functions of the MMU under Tariff, Attachment M shall be charged or credited, as applicable, in the next year's billings under this Schedule 9-MMU.

SCHEDULE 9-PJM Settlement
PJM Settlement, Inc. Administrative Services

a) PJM Settlement, Inc. (“PJMSettlement”) is the entity that is (i) contracting with customers and conducting financial settlements regarding the use of the transmission capacity of the Transmission System; (ii) the Counterparty with respect to the agreements and “pool” transactions in the centralized markets that PJM Interconnection, L.L.C., as the Transmission Provider, administers under the Tariff and Operating Agreement; and (iii) the Counterparty to Financial Transmission Rights (“FTRs”) and Auction Revenue Rights instruments held by a Market Participant. PJMSettlement Services comprise all of the activities of PJMSettlement associated with PJMSettlement performing the services of being the Counterparty and conducting financial settlements.

b) The cost of operating PJMSettlement, including principal and/or depreciation expense, interest expense and financing costs, if any, shall be recovered from users of the PJMSettlement Services pursuant to the PJMSettlement Market Support Service Rate set forth in this Schedule 9-PJMSettlement.

c) **PJMSettlement Market Support Service Rate:** PJMSettlement will charge customers using Point-to-Point or Network Integration Transmission Service under the Tariff, Generation Providers, as defined below, and entities that submit offers to sell or bids to buy energy in the PJM Interchange Energy Market each month a charge equal to: the PJMSettlement Market Support Service Rate, as stated below, times the sum of (1) the total quantity in MWhs of energy delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or for export from such region 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 (2) 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, plus (3) the total quantity in MWhs of all accepted Increment Offers and accepted Decrement Bids, and all accepted Up-to Congestion Transactions submitted pursuant to Tariff, Attachment K-Appendix, section 1.10.1A(c) submitted by such user during such month

(A) For purposes of this Schedule 9-PJMSettlement, Wheeling-Through Service and Generation Provider shall have the same meanings as set forth in Tariff, Schedule 9-3.

(B) The PJMSettlement Market Support Service Rate is:

$$[\text{CYPMSC} / \text{VOL}] - \text{PQDRLB} / \text{VOLQA}] + [\text{PQDRAB} / \text{VOLQA}]$$

where

CYPMSC (Current Year PJMSettlement Market Support Service Costs) is the budgeted annual costs of PJMSettlement associated with PJMSettlement services recovered pursuant to PJMSettlement’s Market Support Service Rate for the current calendar year.

VOL (Volume) is PJMSettlement's estimate of the sum of (1) the total quantity in MWhs of energy to be delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or to be exported from such region under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service during the year for which the PJMSettlement Market Support Service Rate is being calculated, plus (2) the total quantity in MWhs of energy to be input into the Transmission System by Generation Providers during the year for which the PJMSettlement Market Support Service Rate is being calculated plus (3) the total quantity in MWhs of all accepted Increment Offers and accepted Decrement Bids, and all accepted Up-to Congestion Transactions submitted pursuant to Tariff, Attachment K-Appendix, section 1.10.1A(c), to be submitted during the year for which the PJMSettlement Market Support Service Rate is being calculated.

PQDRLB (Prior Quarter Deferred Regulatory Liability Balance) is the cumulative deferred regulatory liability balance as of the end of the prior quarter.

PQDRAB (Prior Quarter Deferred Regulatory Asset Balance) is the cumulative deferred regulatory asset balance as of the end of the prior quarter.

VOLQA (Volume Quarter Adjustment) is PJMSettlement's estimate of the sum of (1) the total quantity in MWhs of energy to be delivered to load (including losses and net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region or to be exported from such region under Point-to-Point Transmission Service (other than Wheeling-Through Service) or Network Integration Transmission Service during the quarter for which the PJMSettlement Market Support Service Rate is being calculated, plus (2) the total quantity in MWhs of energy to be input into the Transmission System by Generation Providers during the quarter for which the PJMSettlement Market Support Service Rate is being calculated plus (3) the total quantity in MWhs of all accepted Increment Offers and accepted Decrement Bids, and all accepted Up-to Congestion Transactions submitted pursuant to Tariff, Attachment K-Appendix, section 1.10.1A(c) to be submitted during the quarter for which the PJMSettlement Market Support Service Rate is being calculated.