

SECTION 8 – FINANCIAL TRANSMISSION AND AUCTION REVENUE RIGHTS

Financial Transmission Rights (FTRs) and Auction Revenue Rights (ARRs) give transmission service customers and PJM members an offset against congestion costs in the Day-Ahead Energy Market. An FTR provides the holder with revenues, or charges, equal to the difference in congestion prices in the Day-Ahead Energy Market across the specific FTR transmission path. An ARR is a related product that provides the holder with revenues, or charges, based on the price differences across the specific ARR transmission path that result from the Annual FTR Auction. FTRs and ARRs provide a hedge against congestion costs, but neither FTRs nor ARRs provide a guarantee that transmission service customers will not pay congestion charges. ARR and FTR holders do not need to physically deliver energy to receive ARR or FTR credits and neither instrument represents a right to the physical delivery of energy.

In PJM, FTRs have been available to network service and long-term, firm, point-to-point transmission service customers as a hedge against congestion costs since the inception of locational marginal pricing (LMP) on April 1, 1998. Effective June 1, 2003, PJM replaced the allocation of FTRs with an allocation of ARRs and an associated Annual FTR Auction.¹ Since the introduction of this auction, FTRs have been available to all transmission service customers and PJM members. Network service and firm point-to-point transmission service customers can take allocated ARRs or the underlying FTRs through a self scheduling process. On June 1, 2007, PJM implemented marginal losses in the calculation of LMP. Since then, FTRs have been valued based on the difference in congestion prices rather than the difference in LMPs.

Firm transmission service customers have access to ARRs/FTRs because they pay the costs of the transmission system that enables firm energy delivery. Firm transmission service customers receive requested ARRs/FTRs to the extent that they are consistent both with the physical capability of the transmission system and with ARR/FTR requests of other eligible customers.

The *2010 Quarterly State of the Market Report for PJM: January through June* focuses on the annual ARR allocations, the Annual FTR Auctions and the Monthly Balance of Planning Period FTR Auctions during two FTR/ARR planning periods: the 2009 to 2010 planning period which covers June 1,

2009, through May 31, 2010, and the 2010 to 2011 planning period which covers June 1, 2010, through May 31, 2011.

Overview

Financial Transmission Rights

Market Structure

- Supply.** PJM operates an Annual FTR Auction for all control zones in the PJM footprint. PJM conducts Monthly Balance of Planning Period FTR Auctions for the remaining months of the planning period, to allow participants to buy and sell any residual transmission capability. PJM also runs a Long Term FTR Auction for the three consecutive planning years immediately following the planning year during which the Long Term FTR Auction is conducted. The first Long Term FTR Auction was conducted during the 2008 to 2009 planning period and covers three consecutive planning periods between 2009 and 2012. The second Long Term FTR Auction was conducted during the 2009 to 2010 planning period and covers three consecutive planning periods between 2010 and 2013. The 2011 to 2014 Long Term FTR Auction results are not presented in this report because the second round has not yet been conducted. In addition, PJM administers a secondary bilateral market to allow participants to buy and sell existing FTRs. FTR products include FTR obligations and FTR options. FTR options are not available in the Long Term FTR Auction. For each time period, there are three FTR products: 24-hour, on peak and off peak. FTRs have terms varying from one month to three years. FTR supply is limited by the capability of the transmission system to accommodate simultaneously the set of requested FTRs and the numerous combinations of FTRs. The principal binding constraints limiting the supply of FTRs in the Annual FTR Auction for the 2010 to 2011 planning period include the Doubs transformer and the Messick Road – Ridgeley line. Market participants can also sell FTRs. In the Annual FTR Auction for the 2010 to 2011 planning period, total FTR sell offers were 178,248 MW, up from 142,154 MW during the 2009 to 2010 planning period. In the Monthly Balance of Planning Period FTR Auctions for the first month

¹ 87 FERC ¶ 61,054 (1999).

(June 2010) of the 2010 to 2011 planning period, there were 487,426 MW of FTR sell offers.

- **Demand.** There is no limit on FTR demand in any FTR auction. In the Annual FTR Auction for the 2010 to 2011 planning period, total FTR buy bids were 1,708,556 MW, up from 1,436,335 MW during the 2009 to 2010 planning period. Total FTR self scheduled bids were 55,732 MW for the 2010 to 2011 planning period, a decrease from 68,589 MW for the 2009 to 2010 planning period. In the Monthly Balance of Planning Period FTR Auctions for the first month (June 2010) of the 2010 to 2011 planning period, total FTR buy bids were 1,065,658 MW.
- **FTR Credit Issues.** Effective June 1, 2009, PJM implemented a number of improvements to the PJM credit management rules. There were no participant defaults during the first six months of 2010.
- **Patterns of Ownership.** The ownership concentration of cleared FTR buy bids resulting from the 2010 to 2011 Annual FTR Auction was low to moderate for FTR obligations and moderate to high for FTR options. The level of concentration is only descriptive and is not a measure of the competitiveness of FTR market structure as the ownership positions resulted from a competitive auction. In order to evaluate the ownership of prevailing flow and counter flow FTRs, the Market Monitoring Unit (MMU) categorized all participants owning FTRs in PJM as either physical or financial. Physical entities include utilities and customers which primarily take physical positions in PJM markets. Financial entities include banks and hedge funds which primarily take financial positions in PJM markets. During the 2010 to 2011 planning period, physical entities own 53 percent of prevailing flow Annual FTRs while financial entities own 71 percent of counter flow Annual FTRs. Overall, financial entities own about 54 percent of all Annual FTRs. Financial entities own about 66 percent of prevailing flow and 77 percent of counter flow Monthly Balance of Planning Period FTRs from January 2010 through June 2010. Overall, financial entities own about 71 percent of all Monthly Balance of Planning Period FTRs.

Market Performance

- **Volume.** For the 2010 to 2011 planning period, the Annual FTR Auction cleared 231,663 MW (13.6 percent) of FTR buy bids, up from 155,612 MW (10.8 percent of demand) for the 2009 to 2010 planning period. The Annual FTR Auction also cleared 10,315 MW (5.8 percent) of FTR sell offers for the 2009 to 2010 planning period, up from 7,399 MW (5.2

percent) for the 2009 to 2010 planning period. For the first month of the 2010 to 2011 planning period, the Monthly Balance of Planning Period FTR Auctions cleared 110,608 MW (10.4 percent) of FTR buy bids and 40,045 MW (8.2 percent) of FTR sell offers.

- **Price.** For the 2010 to 2011 planning period, 87.4 percent of the Annual FTRs were purchased for less than \$1 per MWh and 93.7 percent for less than \$2 per MWh. For the 2010 to 2011 planning period, the weighted-average prices paid for annual buy-bid FTR obligations were \$0.43 per MWh for 24-hour FTRs, \$0.35 per MWh for on peak FTRs and \$0.32 per MWh for off peak FTRs. Comparable, weighted-average prices paid for annual buy-bid FTR obligations for the 2009 to 2010 planning period were \$0.66 per MWh for 24-hour FTRs and \$0.57 per MWh for on peak FTRs and \$0.40 per MWh for off peak FTRs. The weighted-average prices paid for 2010 to 2011 planning period annual buy-bid FTR obligations and options were \$0.35 per MWh and \$0.26 per MWh, respectively, compared to \$0.53 per MWh and \$0.35 per MWh, respectively, in the 2009 to 2010 planning period.² The weighted-average price paid for buy-bid FTRs in the Monthly Balance of Planning Period FTR Auctions for the first month of the 2010 to 2011 planning period was \$0.29 per MWh, compared with \$0.18 per MWh in the Monthly Balance of Planning Period FTR Auctions for the full 12-month 2009 to 2010 planning period.
- **Revenue.** The Annual FTR Auction generated \$1,049.8 million of net revenue for all FTRs during the 2010 to 2011 planning period, down from \$1,329.8 million for the 2009 to 2010 planning period. The Monthly Balance of Planning Period FTR Auctions generated \$2.5 million in net revenue for all FTRs during the first month of the 2010 to 2011 planning period.
- **Revenue Adequacy.** FTRs were 96.9 percent revenue adequate for the 2009 to 2010 planning period. FTRs were paid at 97.8 percent of the target allocation level for the first month of the 2010 to 2011 planning period. Congestion revenues are allocated to FTR holders based on FTR target allocations. PJM collected \$192.1 million of FTR revenues during the first month of the 2010 to 2011 planning period and \$878.4 million during the 2009 to 2010 planning period. For the full twelve months of the 2009 to 2010 planning period, the top sink and top source with the highest positive FTR target allocations were

² Weighted-average prices for FTRs in the Long Term FTR Auction, Annual FTR Auction and Monthly Balance of Planning Period FTR Auctions are the average prices weighted by the MW and hours in a time period (planning period or month) for each FTR class type: 24-hour, on peak and off peak. For example, FTRs in the 2010 to 2011 Annual FTR Auction would be weighted by their MW and the hours in that time period for each FTR class type: 24-hour (8,760 hours), on peak (4,112 hours) and off peak (4,648 hours).

the AP Control Zone and the Mount Storm aggregate, respectively. Similarly, the top sink and top source with the largest negative FTR target allocation was the Western Hub.

Auction Revenue Rights

Market Structure

- **Supply.** ARR supply is limited by the capability of the transmission system to simultaneously accommodate the set of requested ARRs and the numerous combinations of feasible ARRs. The principal binding constraints that limited supply in the annual ARR allocation for the 2010 to 2011 planning period were the AP South Interface and the Nelson – Electric Junction Line. Long Term ARRs are in effect for 10 consecutive planning periods and are available in Stage 1A of the annual ARR allocation. Residual ARRs were also introduced and are available to holders with prorated Stage 1A or 1B ARRs if additional transmission capability is added during the planning period.
- **Demand.** Total demand in the annual ARR allocation was 135,614 MW for the 2010 to 2011 planning period with 61,793 MW bid in Stage 1A, 27,850 MW bid in Stage 1B and 45,971 MW bid in Stage 2. This is down from 140,038 MW for the 2009 to 2010 planning period with 64,988 MW bid in Stage 1A, 26,517 MW bid in Stage 1B and 48,533 MW bid in Stage 2. ARR demand is limited by the total amount of network service and firm point-to-point transmission service.
- **ARR Reassignment for Retail Load Switching.** When retail load switches among load-serving entities (LSEs), a proportional share of the ARRs and their associated revenue are reassigned from the LSE losing load to the LSE gaining load. ARR reassignment occurs only if the LSE losing load has ARRs with a net positive economic value. An LSE gaining load in the same control zone is allocated a proportional share of positively valued ARRs within the control zone based on the shifted load. There were 4,660 MW of ARRs associated with approximately \$67,700 per MW-day of revenue that were reassigned in the first month of the 2010 to 2011 planning period. There were 19,061 MW of ARRs associated with approximately \$362,400 per MW-day of revenue that were reassigned for the full 2009 to 2010 planning period.

Market Performance

- **Volume.** Of 135,614 MW in ARR requests for the 2010 to 2011 planning period, 101,843 MW (75.1 percent) were allocated. There were 61,793 MW allocated in Stage 1A, 27,850 MW allocated in Stage 1B and 12,200 MW allocated in Stage 2. Eligible market participants self scheduled 55,732 MW (54.7 percent) of these allocated ARRs as Annual FTRs. Of 140,038 MW in ARR requests for the 2009 to 2010 planning period, 109,414 MW (78.1 percent) were allocated. There were 64,914 MW allocated in Stage 1A, 26,514 MW allocated in Stage 1B and 17,986 MW allocated in Stage 2. Eligible market participants self scheduled 68,589 MW (62.7 percent) of these allocated ARRs as Annual FTRs.
- **Revenue.** As ARRs are allocated to qualifying customers rather than sold, there is no ARR revenue comparable to the revenue that results from the FTR auctions.
- **Revenue Adequacy.** During the 2010 to 2011 planning period, ARR holders will receive \$1,028.8 million in ARR credits, with an average hourly ARR credit of \$1.15 per MWh. During the 2010 to 2011 planning period, the ARR target allocations were \$1,028.8 million while PJM collected \$1,052.3 million from the combined Annual and Monthly Balance of Planning Period FTR Auctions through Jun 30, 2010, making ARRs revenue adequate. During the 2009 to 2010 planning period, ARR holders received \$1,273.5 million in ARR credits, with an average hourly ARR credit of \$1.33 per MWh. For the 2009 to 2010 planning period, the ARR target allocations were \$1,273.5 million while PJM collected \$1,349.3 million from the combined Annual and Monthly Balance of Planning Period FTR Auctions, making ARRs revenue adequate.
- **ARR Proration.** When ARRs were allocated for the 2010 to 2011 planning period, some of the requested ARRs were prorated in Stage 2 as a result of binding transmission constraints. No ARRs were prorated in Stage 1A and Stage 1B since there were no constraints limiting the ARR allocation in these two stages.
- **ARRs and FTRs as a Hedge against Congestion.** The effectiveness of ARRs and FTRs as a hedge against actual congestion can be measured several ways. The first is to compare the revenue received by ARR holders to the congestion costs experienced by these ARR holders. The second is to compare the revenue received by FTR holders

to the total congestion costs within PJM. The final and comprehensive method is to compare the revenue received by all ARR and FTR holders to total actual congestion costs in the Day-Ahead Energy Market and the balancing energy market within PJM. During the 2008 to 2009 planning period, total ARR and FTR revenues hedged more than 100 percent of the congestion costs within PJM. For the 2009 to 2010 planning period, all ARRs and FTRs hedged 96.4 percent of the congestion costs within PJM.

- **ARRs and FTRs as a Hedge against Total Energy Costs.** The hedge provided by ARRs can also be measured by comparing the value of the ARR and self-scheduled FTRs that sink in a zone to the cost of real time energy in the zone. This is a measure of the value of the hedge against real time energy costs provided by ARRs received by loads during this period. The total value of ARRs was 3.9 percent of the total real time energy charges for January through June of 2010. The hedge provided by FTRs can also be measured by comparing the value of the FTRs that sink in a zone to the cost of real time energy in the zone. The total net value of FTRs was 0.3 percent of the total real time energy charges for January through June 2010. When combined, the sum is a measure of the total value of ARRs plus FTRs. The total value of ARRs plus FTRs was 4.2 percent of the total real time energy charges for January through June 2010.

Conclusion

The annual ARR allocation and the FTR auctions provide market participants with hedging instruments. These instruments can be used for hedging positions or for speculation. The Long Term FTR Auction, the Annual FTR Auction and the Monthly Balance of Planning Period FTR Auctions provide a market valuation of FTRs. The FTR auction results for the 2010 to 2011 planning period were competitive and succeeded in providing all qualified market participants with equal access to FTRs. The MMU recommends that the rules for ARR reassignment when load shifts should address the fact that in the case of ARRs self scheduled as FTRs, the underlying FTRs do not follow the load while the ARRs do.

ARRs were 100 percent revenue adequate for both the 2009 to 2010 and the 2010 to 2011 planning periods. FTRs were paid at 96.9 percent of the target allocation level for the 12-month period of the 2009 to 2010 planning period, and at 97.8 percent of the target allocation level for the first month of the 2010 to 2011 planning period.

Revenue adequacy must be distinguished from the adequacy of FTRs as a hedge against congestion. Revenue adequacy is a narrower concept that compares the revenues available to cover congestion across specific paths for which FTRs were available and purchased. The adequacy of FTRs as a hedge against congestion compares FTR revenues to total congestion on the system as a measure of the extent to which FTRs hedged market participants against actual, total congestion across all paths, regardless of the availability or purchase of FTRs.

The total of ARR and FTR revenues hedged more than 100 percent of the congestion costs in the Day-Ahead Energy Market and the balancing energy market within PJM for the 2008 to 2009 planning period and 96.4 percent of the congestion costs in PJM during the 2009 to 2010 planning period. The ARR and FTR revenue adequacy results are aggregate results and all those paying congestion charges were not necessarily hedged at that level. Aggregate numbers do not reveal the underlying distribution of FTR holders, their revenues or those paying congestion.

Financial Transmission Rights

Supply

Table 8-1 Top 10 principal binding transmission constraints limiting the Annual FTR Auction: Planning period 2010 to 2011 (See 2009 SOM Table 8-2)

| Constraint | Type | Control Zone | Severity Ranking by Auction Round | | | |
|------------------------------|-------------|--------------|-----------------------------------|----|----|----|
| | | | 1 | 2 | 3 | 4 |
| Doubs | Transformer | AP | 2 | 1 | 2 | 1 |
| Messick Road - Ridgeley | Line | AP | 1 | 2 | 1 | 5 |
| Mahans Lane - Tidd | Line | AEP | 3 | 5 | 8 | 9 |
| Middlebourne - Williw Island | Line | AP | 4 | 4 | 4 | 3 |
| AP South | Interface | AP | 5 | 3 | 3 | 2 |
| Endless Caverns | Transformer | Dominion | 8 | 6 | 6 | 4 |
| Tiltonville - Windsor | Line | AP | 43 | 29 | 7 | 6 |
| Smith - Wylie Ridge | Line | AP | 13 | 7 | 5 | 7 |
| Roxbury - Shade Gap | Line | PENELEC | 6 | 8 | 12 | 15 |
| Krendale - Seneca | Line | AP | 7 | 9 | 10 | 8 |

Patterns of Ownership

Table 8-2 Annual FTR Auction patterns of ownership by FTR direction: Planning period 2010 to 2011 (See 2009 SOM Table 8-4)

| Organization Type | Self-Scheduled FTRs | FTR Direction | | All |
|-------------------|---------------------|-----------------|--------------|--------|
| | | Prevailing Flow | Counter Flow | |
| Physical | Yes | 25.0% | 2.7% | 18.7% |
| | No | 27.5% | 26.3% | 27.1% |
| | Total | 52.5% | 29.0% | 45.8% |
| Financial | No | 47.5% | 71.0% | 54.2% |
| Total | | 100.0% | 100.0% | 100.0% |

Table 8-3 Monthly Balance of Planning Period FTR Auction patterns of ownership by FTR direction: January through June 2010 (See 2009 SOM Table 8-5)

| Organization Type | FTR Direction | | All |
|-------------------|-----------------|--------------|--------|
| | Prevailing Flow | Counter Flow | |
| Physical | 34.4% | 23.0% | 29.3% |
| Financial | 65.6% | 77.0% | 70.7% |
| Total | 100.0% | 100.0% | 100.0% |

Market Performance

Volume

Table 8-4 Comparison of self scheduled FTRs: Planning periods 2008 to 2009, 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-8)

| Planning Period | Self-Scheduled FTRs (MW) | Maximum Possible Self-Scheduled FTRs (MW) | Percent of ARR Self-Scheduled as FTRs |
|-----------------|--------------------------|---|---------------------------------------|
| 2008/2009 | 72,851 | 112,011 | 65.0% |
| 2009/2010 | 68,589 | 109,413 | 62.7% |
| 2010/2011 | 55,732 | 101,843 | 54.7% |

Table 8-5 Annual FTR Auction market volume: Planning period 2010 to 2011 (See 2009 SOM Table 8-7)

| Trade Type | Hedge Type | FTR Direction | Bid and Requested Count | Bid and Requested Volume (MW) | Cleared Volume (MW) | Cleared Volume | Uncleared Volume (MW) | Uncleared Volume |
|-----------------------------|-------------|-----------------|-------------------------|-------------------------------|---------------------|----------------|-----------------------|------------------|
| Buy bids | Obligations | Counter Flow | 76,794 | 300,085 | 73,956 | 24.6% | 226,129 | 75.4% |
| | | Prevailing Flow | 195,599 | 1,233,329 | 127,366 | 10.3% | 1,105,963 | 89.7% |
| | | Total | 272,393 | 1,533,414 | 201,322 | 13.1% | 1,332,092 | 86.9% |
| | Options | Counter Flow | 100 | 10,855 | 5,455 | 50.3% | 5,400 | 49.7% |
| | | Prevailing Flow | 7,569 | 164,287 | 24,885 | 15.1% | 139,402 | 84.9% |
| | | Total | 7,669 | 175,142 | 30,340 | 17.3% | 144,802 | 82.7% |
| | Total | Counter Flow | 76,894 | 310,940 | 79,411 | 25.5% | 231,529 | 74.5% |
| | | Prevailing Flow | 203,168 | 1,397,616 | 152,251 | 10.9% | 1,245,365 | 89.1% |
| | | Total | 280,062 | 1,708,556 | 231,663 | 13.6% | 1,476,893 | 86.4% |
| Self-scheduled bids | Obligations | Counter Flow | 160 | 2,253 | 2,253 | 100.0% | 0 | 0.0% |
| | | Prevailing Flow | 8,644 | 53,479 | 53,479 | 100.0% | 0 | 0.0% |
| | | Total | 8,804 | 55,732 | 55,732 | 100.0% | 0 | 0.0% |
| Buy and self-scheduled bids | Obligations | Counter Flow | 76,954 | 302,338 | 76,209 | 25.2% | 226,129 | 74.8% |
| | | Prevailing Flow | 204,243 | 1,286,808 | 180,845 | 14.1% | 1,105,963 | 85.9% |
| | | Total | 281,197 | 1,589,146 | 257,054 | 16.2% | 1,332,092 | 83.8% |
| | Options | Counter Flow | 100 | 10,855 | 5,455 | 50.3% | 5,400 | 49.7% |
| | | Prevailing Flow | 7,569 | 164,287 | 24,885 | 15.1% | 139,402 | 84.9% |
| | | Total | 7,669 | 175,142 | 30,340 | 17.3% | 144,802 | 82.7% |
| | Total | Counter Flow | 77,054 | 313,193 | 81,664 | 26.1% | 231,529 | 73.9% |
| | | Prevailing Flow | 211,812 | 1,451,095 | 205,730 | 14.2% | 1,245,365 | 85.8% |
| | | Total | 288,866 | 1,764,288 | 287,394 | 16.3% | 1,476,893 | 83.7% |
| Sell offers | Obligations | Counter Flow | 18,898 | 60,966 | 2,360 | 3.9% | 58,606 | 96.1% |
| | | Prevailing Flow | 28,599 | 106,947 | 7,914 | 7.4% | 99,033 | 92.6% |
| | | Total | 47,497 | 167,912 | 10,274 | 6.1% | 157,638 | 93.9% |
| | Options | Counter Flow | 136 | 3,060 | 0 | 0.0% | 3,060 | 100.0% |
| | | Prevailing Flow | 1,747 | 7,455 | 41 | 0.5% | 7,415 | 99.5% |
| | | Total | 1,883 | 10,515 | 41 | 0.4% | 10,475 | 99.6% |
| | Total | Counter Flow | 19,034 | 64,026 | 2,360 | 3.7% | 61,666 | 96.3% |
| | | Prevailing Flow | 30,346 | 114,402 | 7,955 | 7.0% | 106,447 | 93.0% |
| | | Total | 49,380 | 178,428 | 10,315 | 5.8% | 168,113 | 94.2% |

Table 8-6 Monthly Balance of Planning Period FTR Auction market volume: January through June 2010 (See 2009 SOM Table 8-9)

| Monthly Auction | Hedge Type | Trade Type | Bid and Requested Count | Bid and Requested Volume (MW) | Cleared Volume (MW) | Cleared Volume | Uncleared Volume (MW) | Uncleared Volume |
|-----------------|-------------|-------------|-------------------------|-------------------------------|---------------------|----------------|-----------------------|------------------|
| Jan-10 | Obligations | Buy bids | 156,274 | 716,812 | 79,724 | 11.1% | 637,088 | 88.9% |
| | | Sell offers | 46,206 | 165,858 | 11,224 | 6.8% | 154,635 | 93.2% |
| | Options | Buy bids | 391 | 11,953 | 1,621 | 13.6% | 10,332 | 86.4% |
| | | Sell offers | 1,579 | 33,020 | 5,686 | 17.2% | 27,334 | 82.8% |
| Feb-10 | Obligations | Buy bids | 129,946 | 656,279 | 78,354 | 11.9% | 577,925 | 88.1% |
| | | Sell offers | 40,605 | 146,757 | 10,364 | 7.1% | 136,393 | 92.9% |
| | Options | Buy bids | 622 | 13,993 | 1,119 | 8.0% | 12,874 | 92.0% |
| | | Sell offers | 1,702 | 33,125 | 6,955 | 21.0% | 26,170 | 79.0% |
| Mar-10 | Obligations | Buy bids | 120,727 | 607,270 | 90,189 | 14.9% | 517,081 | 85.1% |
| | | Sell offers | 56,858 | 201,797 | 12,542 | 6.2% | 189,255 | 93.8% |
| | Options | Buy bids | 331 | 8,420 | 749 | 8.9% | 7,672 | 91.1% |
| | | Sell offers | 1,224 | 23,960 | 5,326 | 22.2% | 18,634 | 77.8% |
| Apr-10 | Obligations | Buy bids | 104,078 | 483,995 | 78,853 | 16.3% | 405,142 | 83.7% |
| | | Sell offers | 30,097 | 127,238 | 9,844 | 7.7% | 117,394 | 92.3% |
| | Options | Buy bids | 185 | 5,643 | 481 | 8.5% | 5,161 | 91.5% |
| | | Sell offers | 980 | 17,098 | 3,474 | 20.3% | 13,625 | 79.7% |
| May-10 | Obligations | Buy bids | 83,069 | 372,583 | 63,260 | 17.0% | 309,323 | 83.0% |
| | | Sell offers | 16,709 | 74,617 | 8,385 | 11.2% | 66,233 | 88.8% |
| | Options | Buy bids | 396 | 3,229 | 209 | 6.5% | 3,020 | 93.5% |
| | | Sell offers | 623 | 9,657 | 3,049 | 31.6% | 6,609 | 68.4% |
| Jun-10 | Obligations | Buy bids | 204,305 | 998,923 | 107,676 | 10.8% | 891,247 | 89.2% |
| | | Sell offers | 94,433 | 417,735 | 24,228 | 5.8% | 393,507 | 94.2% |
| | Options | Buy bids | 1,725 | 66,735 | 2,932 | 4.4% | 63,804 | 95.6% |
| | | Sell offers | 11,073 | 69,691 | 15,816 | 22.7% | 53,874 | 77.3% |
| 2009/2010* | Obligations | Buy bids | 1,908,766 | 8,003,573 | 946,107 | 11.8% | 7,057,466 | 88.2% |
| | | Sell offers | 649,057 | 2,337,381 | 181,810 | 7.8% | 2,155,571 | 92.2% |
| | Options | Buy bids | 4,904 | 216,423 | 17,194 | 7.9% | 199,228 | 92.1% |
| | | Sell offers | 29,328 | 458,584 | 72,335 | 15.8% | 386,248 | 84.2% |
| 2010/2011* | Obligations | Buy bids | 204,305 | 998,923 | 107,676 | 10.8% | 891,247 | 89.2% |
| | | Sell offers | 94,433 | 417,735 | 24,228 | 5.8% | 393,507 | 94.2% |
| | Options | Buy bids | 1,725 | 66,735 | 2,932 | 4.4% | 63,804 | 95.6% |
| | | Sell offers | 11,073 | 69,691 | 15,816 | 22.7% | 53,874 | 77.3% |

* Shows twelve months for 2009/2010 and one month ended 30-Jun-2010 for 2010/2011

Table 8-7 Monthly Balance of Planning Period FTR Auction buy-bid bid and cleared volume (MW per period): January through June 2010 (See 2009 SOM Table 8-10)

| Monthly Auction | MW Type | Current Month | Second Month | Third Month | Q1 | Q2 | Q3 | Q4 | Total |
|-----------------|---------|---------------|--------------|-------------|--------|---------|---------|---------|-----------|
| Jan-10 | Bid | 393,426 | 127,235 | 90,338 | | | | 117,766 | 728,765 |
| | Cleared | 55,052 | 10,039 | 5,963 | | | | 10,290 | 81,345 |
| Feb-10 | Bid | 363,548 | 100,591 | 91,281 | | | | 114,853 | 670,272 |
| | Cleared | 53,791 | 9,948 | 6,304 | | | | 9,430 | 79,473 |
| Mar-10 | Bid | 374,155 | 108,329 | 106,100 | | | | 27,107 | 615,690 |
| | Cleared | 66,677 | 10,555 | 9,864 | | | | 3,842 | 90,938 |
| Apr-10 | Bid | 366,026 | 123,612 | | | | | | 489,638 |
| | Cleared | 67,471 | 11,863 | | | | | | 79,334 |
| May-10 | Bid | 375,812 | | | | | | | 375,812 |
| | Cleared | 63,469 | | | | | | | 63,469 |
| Jun-10 | Bid | 398,343 | 134,107 | 127,474 | 27,614 | 129,012 | 126,849 | 122,260 | 1,065,658 |
| | Cleared | 65,245 | 9,590 | 9,386 | 2,996 | 10,408 | 7,927 | 5,054 | 110,608 |

Table 8-8 Secondary bilateral FTR market volume: Planning periods 2009 to 2010 and 2010 to 2011³ (See 2009 SOM Table 8-11)

| Planning Period | Hedge Type | Class Type | Volume (MW) | Price |
|-----------------|------------|------------|-------------|----------|
| 2009/2010 | Obligation | 24-Hour | 1,468 | \$0.38 |
| | | On Peak | 3,544 | (\$0.01) |
| | | Off Peak | 3,798 | (\$0.06) |
| | | Total | 8,811 | \$0.31 |
| | Option | 24-Hour | 30 | \$5.93 |
| | | On Peak | 0 | NA |
| | | Off Peak | 0 | NA |
| | | Total | 30 | \$5.93 |
| 2010/2011* | Obligation | 24-Hour | 1,537 | \$0.06 |
| | | On Peak | 69 | \$0.03 |
| | | Off Peak | 77 | \$0.02 |
| | | Total | 1,683 | \$0.06 |
| | Option | 24-Hour | 20 | \$0.40 |
| | | On Peak | 0 | NA |
| | | Off Peak | 0 | NA |
| | | Total | 20 | \$0.40 |

* Shows one month ended 30-Jun-2010

³ The 2010 to 2011 planning period covers the 2010 to 2011 Annual FTR Auction and the Monthly Balance of Planning Period FTR Auctions through June 30, 2010.

Price**Table 8-9 Annual FTR Auction weighted-average cleared prices by FTR direction (Dollars per MWh): Planning period 2010 to 2011 (See 2009 SOM Table 8-13)**

| Trade Type | Hedge Type | FTR Direction | Class Type | | | |
|-----------------------------|-------------|-----------------|------------|----------|----------|----------|
| | | | 24-Hour | On Peak | Off Peak | All |
| Buy bids | Obligations | Counter Flow | (\$0.56) | (\$0.34) | (\$0.28) | (\$0.35) |
| | | Prevailing Flow | \$0.97 | \$0.73 | \$0.69 | \$0.75 |
| | | Total | \$0.43 | \$0.35 | \$0.32 | \$0.35 |
| | Options | Counter Flow | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | | Prevailing Flow | \$1.00 | \$0.41 | \$0.17 | \$0.31 |
| | | Total | \$1.00 | \$0.33 | \$0.14 | \$0.26 |
| Self-scheduled bids | Obligations | Counter Flow | (\$0.15) | NA | NA | (\$0.15) |
| | | Prevailing Flow | \$1.48 | NA | NA | \$1.48 |
| | | Total | \$1.41 | NA | NA | \$1.41 |
| Buy and self-scheduled bids | Obligations | Counter Flow | (\$0.46) | (\$0.34) | (\$0.28) | (\$0.34) |
| | | Prevailing Flow | \$1.38 | \$0.73 | \$0.69 | \$1.07 |
| | | Total | \$1.17 | \$0.35 | \$0.32 | \$0.71 |
| | Options | Counter Flow | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | | Prevailing Flow | \$1.00 | \$0.41 | \$0.17 | \$0.31 |
| | | Total | \$1.00 | \$0.33 | \$0.14 | \$0.26 |
| Sell offers | Obligations | Counter Flow | (\$0.15) | (\$0.57) | (\$0.43) | (\$0.47) |
| | | Prevailing Flow | \$0.45 | \$0.53 | \$0.32 | \$0.43 |
| | | Total | \$0.22 | \$0.32 | \$0.12 | \$0.22 |
| | Options | Counter Flow | NA | NA | NA | NA |
| | | Prevailing Flow | \$0.00 | \$1.11 | \$0.33 | \$0.66 |
| | | Total | \$0.00 | \$1.11 | \$0.33 | \$0.66 |

Figure 8-1 Annual FTR auction clearing price duration curves: Planning period 2010 to 2011
(See 2009 SOM Figure 8-2)

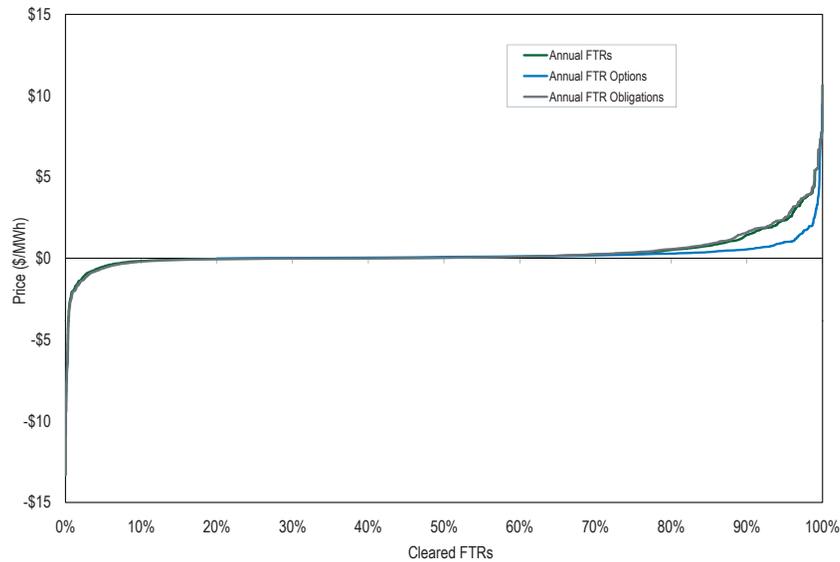


Table 8-10 Monthly Balance of Planning Period FTR Auction cleared, weighted-average, buy-bid price per period (Dollars per MWh): January through June 2010 (See 2009 SOM Table 8-14)

| Monthly Auction | Current Month | Second Month | Third Month | Q1 | Q2 | Q3 | Q4 | Total |
|-----------------|---------------|--------------|-------------|--------|--------|--------|----------|--------|
| Jan-10 | \$0.09 | \$0.34 | (\$0.01) | | | | \$0.16 | \$0.13 |
| Feb-10 | \$0.09 | \$0.31 | \$0.17 | | | | \$0.31 | \$0.19 |
| Mar-10 | \$0.14 | \$0.30 | \$0.34 | | | | (\$0.07) | \$0.15 |
| Apr-10 | \$0.10 | \$0.24 | | | | | | \$0.12 |
| May-10 | \$0.06 | | | | | | | \$0.06 |
| Jun-10 | \$0.11 | \$0.36 | \$0.35 | \$0.80 | \$0.33 | \$0.40 | \$0.37 | \$0.29 |

Revenue**Annual FTR Auction Revenue****Table 8-11 Annual FTR Auction revenue by FTR direction: Planning period 2010 to 2011 (See 2009 SOM Table 8-16)**

| Trade Type | Hedge Type | FTR Direction | Class Type | | | |
|-----------------------------|-------------|-----------------|----------------|----------------|----------------|-----------------|
| | | | 24-Hour | On Peak | Off Peak | All |
| Buy bids | Obligations | Counter Flow | (\$31,703,144) | (\$48,028,679) | (\$43,231,947) | (\$122,963,770) |
| | | Prevailing Flow | \$101,156,043 | \$184,829,000 | \$172,777,067 | \$458,762,110 |
| | | Total | \$69,452,899 | \$136,800,321 | \$129,545,120 | \$335,798,340 |
| | Options | Counter Flow | \$0 | \$0 | \$0 | \$0 |
| | | Prevailing Flow | \$4,190,505 | \$20,643,158 | \$9,781,679 | \$34,615,342 |
| | | Total | \$4,190,505 | \$20,643,158 | \$9,781,679 | \$34,615,342 |
| | Total | Counter Flow | (\$31,703,144) | (\$48,028,679) | (\$43,231,947) | (\$122,963,770) |
| | | Prevailing Flow | \$105,346,548 | \$205,472,159 | \$182,558,746 | \$493,377,453 |
| | | Total | \$73,643,404 | \$157,443,479 | \$139,326,799 | \$370,413,682 |
| Self-scheduled bids | Obligations | Counter Flow | (\$3,013,115) | NA | NA | (\$3,013,115) |
| | | Prevailing Flow | \$692,601,293 | NA | NA | \$692,601,293 |
| | | Total | \$689,588,178 | NA | NA | \$689,588,178 |
| Buy and self-scheduled bids | Obligations | Counter Flow | (\$34,716,259) | (\$48,028,679) | (\$43,231,947) | (\$125,976,885) |
| | | Prevailing Flow | \$793,757,336 | \$184,829,000 | \$172,777,067 | \$1,151,363,403 |
| | | Total | \$759,041,077 | \$136,800,321 | \$129,545,120 | \$1,025,386,518 |
| | Options | Counter Flow | \$0 | \$0 | \$0 | \$0 |
| | | Prevailing Flow | \$4,190,505 | \$20,643,158 | \$9,781,679 | \$34,615,342 |
| | | Total | \$4,190,505 | \$20,643,158 | \$9,781,679 | \$34,615,342 |
| | Total | Counter Flow | (\$34,716,259) | (\$48,028,679) | (\$43,231,947) | (\$125,976,885) |
| | | Prevailing Flow | \$797,947,840 | \$205,472,159 | \$182,558,746 | \$1,185,978,745 |
| | | Total | \$763,231,581 | \$157,443,479 | \$139,326,799 | \$1,060,001,860 |
| Sell offers | Obligations | Counter Flow | (\$100,949) | (\$2,404,436) | (\$2,499,147) | (\$5,004,532) |
| | | Prevailing Flow | \$492,925 | \$9,363,404 | \$5,201,761 | \$15,058,090 |
| | | Total | \$391,976 | \$6,958,967 | \$2,702,614 | \$10,053,558 |
| | Options | Counter Flow | \$0 | \$0 | \$0 | \$0 |
| | | Prevailing Flow | \$0 | \$85,206 | \$34,159 | \$119,365 |
| | | Total | \$0 | \$85,206 | \$34,159 | \$119,365 |
| | Total | Counter Flow | (\$100,949) | (\$2,404,436) | (\$2,499,147) | (\$5,004,532) |
| | | Prevailing Flow | \$492,925 | \$9,448,610 | \$5,235,920 | \$15,177,455 |
| | | Total | \$391,976 | \$7,044,173 | \$2,736,773 | \$10,172,923 |

Figure 8-2 Ten largest positive and negative revenue producing FTR sinks purchased in the Annual FTR Auction: Planning period 2010 to 2011⁴ (See 2009 SOM Figure 8-5)

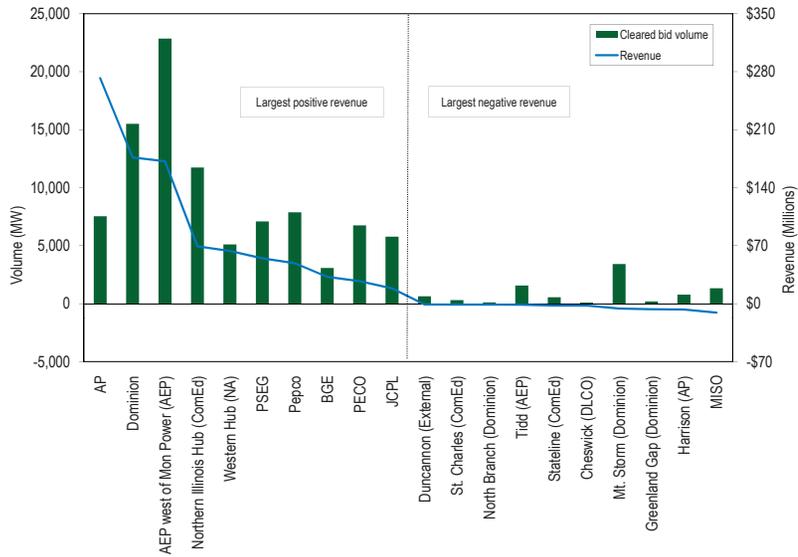
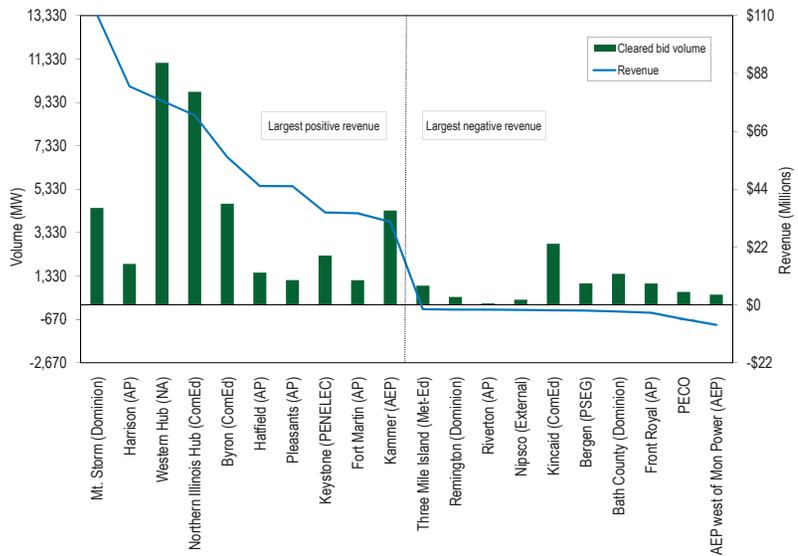


Figure 8-3 Ten largest positive and negative revenue producing FTR sources purchased in the Annual FTR Auction: Planning period 2010 to 2011 (See 2009 SOM Figure 8-6)



4 For Figure 8-2 through Figure 8-7, each FTR sink and source that is not a control zone has its corresponding control zone listed in parentheses after its name. Most FTR sink and source control zone identifications for hubs and interface pricing points are listed as NA because they cannot be assigned to a specific control zone.

Monthly Balance of Planning Period FTR Auction Revenue**Table 8-12 Monthly Balance of Planning Period FTR Auction revenue: January through June 2010 (See 2009 SOM Table 8-17)**

| Monthly Auction | Hedge Type | Trade Type | Class Type | | | |
|-----------------|-------------|-------------|-------------|--------------|--------------|--------------|
| | | | 24-Hour | On Peak | Off Peak | All |
| Jan-10 | Obligations | Buy bids | (\$358,507) | \$3,027,607 | \$1,763,504 | \$4,432,604 |
| | | Sell offers | \$383,960 | \$1,556,699 | \$561,863 | \$2,502,522 |
| | Options | Buy bids | \$0 | \$341,524 | \$118,211 | \$459,735 |
| | | Sell offers | \$83,413 | \$542,599 | \$261,153 | \$887,164 |
| Feb-10 | Obligations | Buy bids | \$530,509 | \$2,872,273 | \$2,657,432 | \$6,060,214 |
| | | Sell offers | (\$116,080) | \$1,524,315 | \$1,983,143 | \$3,391,378 |
| | Options | Buy bids | \$0 | \$241,692 | \$234,325 | \$476,018 |
| | | Sell offers | \$8,606 | \$825,079 | \$709,563 | \$1,543,248 |
| Mar-10 | Obligations | Buy bids | (\$549,382) | \$4,005,065 | \$2,109,386 | \$5,565,069 |
| | | Sell offers | \$565,634 | \$1,299,894 | \$578,118 | \$2,443,646 |
| | Options | Buy bids | \$972 | \$27,948 | \$25,433 | \$54,353 |
| | | Sell offers | \$80,862 | \$900,428 | \$434,215 | \$1,415,505 |
| Apr-10 | Obligations | Buy bids | (\$455,673) | \$1,949,169 | \$1,914,146 | \$3,407,643 |
| | | Sell offers | \$411,821 | \$303,177 | \$711,735 | \$1,426,734 |
| | Options | Buy bids | \$0 | \$31,664 | \$7,685 | \$39,348 |
| | | Sell offers | \$397 | \$619,455 | \$222,426 | \$842,278 |
| May-10 | Obligations | Buy bids | (\$174,016) | \$796,256 | \$742,930 | \$1,365,170 |
| | | Sell offers | \$55,656 | \$98,700 | \$324,803 | \$479,159 |
| | Options | Buy bids | \$0 | \$38,754 | \$2,044 | \$40,798 |
| | | Sell offers | \$30 | \$400,162 | \$143,440 | \$543,632 |
| Jun-10 | Obligations | Buy bids | \$3,248,555 | \$8,066,567 | \$6,097,873 | \$17,412,995 |
| | | Sell offers | \$953,733 | \$3,876,255 | \$3,725,334 | \$8,555,322 |
| | Options | Buy bids | \$5,802 | \$158,851 | \$116,761 | \$281,415 |
| | | Sell offers | \$16,839 | \$4,265,630 | \$2,393,988 | \$6,676,457 |
| 2009/2010* | Obligations | Buy bids | (\$121,010) | \$45,775,003 | \$33,593,366 | \$79,247,359 |
| | | Sell offers | \$3,920,764 | \$21,760,177 | \$17,779,192 | \$43,460,133 |
| | Options | Buy bids | \$98,620 | \$1,940,920 | \$834,871 | \$2,874,411 |
| | | Sell offers | \$263,053 | \$11,631,451 | \$7,274,458 | \$19,168,962 |
| 2010/2011* | Obligations | Buy bids | \$3,248,555 | \$8,066,567 | \$6,097,873 | \$17,412,995 |
| | | Sell offers | \$953,733 | \$3,876,255 | \$3,725,334 | \$8,555,322 |
| | Options | Buy bids | \$5,802 | \$158,851 | \$116,761 | \$281,415 |
| | | Sell offers | \$16,839 | \$4,265,630 | \$2,393,988 | \$6,676,457 |

* Shows twelve months for 2009/2010 and one month ended 30-Jun-2010 for 2010/2011

Figure 8-4 Ten largest positive and negative revenue producing FTR sinks purchased in the Monthly Balance of Planning Period FTR Auctions: Planning period 2009 to 2010 (See 2009 SOM Figure 8-7)

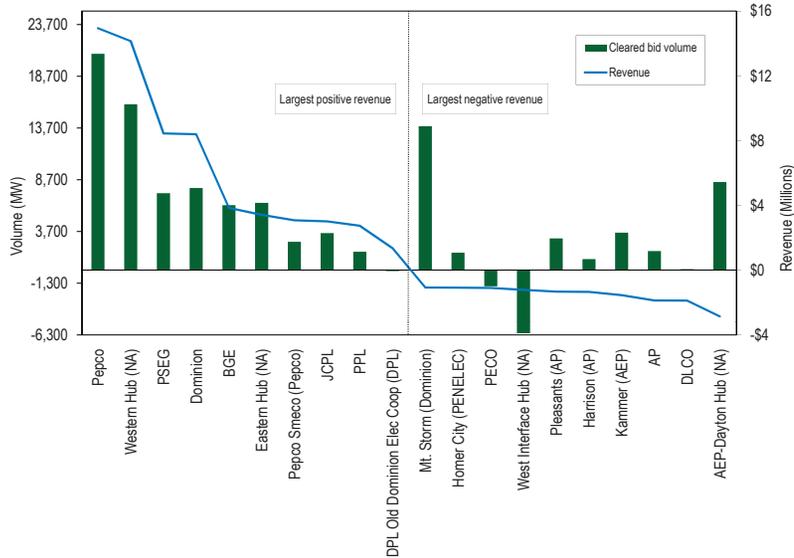
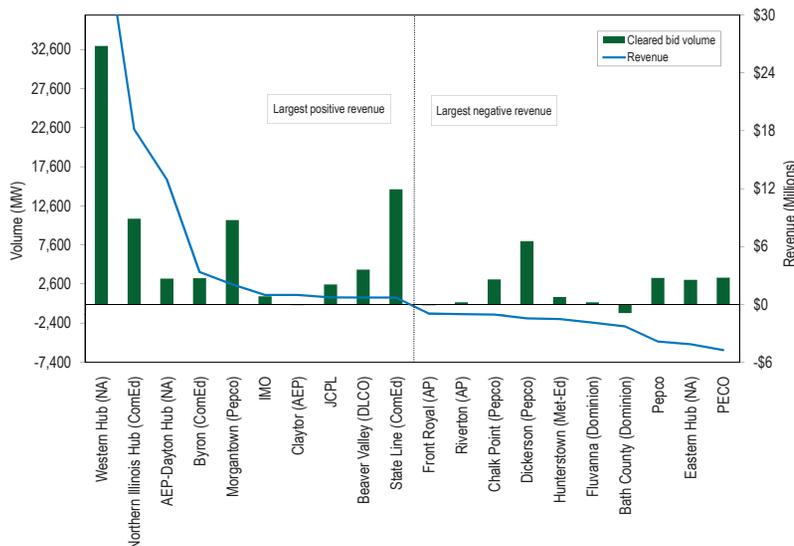


Figure 8-5 Ten largest positive and negative revenue producing FTR sources purchased in the Monthly Balance of Planning Period FTR Auctions: Planning period 2009 to 2010 (See 2009 SOM Figure 8-8)



Revenue Adequacy

Table 8-13 Total annual PJM FTR revenue detail (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-18)

| Accounting Element | 2009/2010 | 2010/2011* |
|---|----------------|----------------|
| ARR information | | |
| ARR target allocations | \$1,276.9 | \$84.6 |
| FTR auction revenue | \$1,368.7 | \$89.1 |
| ARR excess | \$91.9 | \$4.5 |
| FTR targets | | |
| FTR target allocations | \$908.1 | \$196.4 |
| Adjustments: | | |
| Adjustments to FTR target allocations | (\$1.5) | \$0.0 |
| Total FTR targets | \$906.6 | \$196.4 |
| FTR revenues | | |
| ARR excess | \$91.9 | \$4.5 |
| Competing uses | \$0.0 | \$0.0 |
| Congestions | | |
| Net Negative Congestion (enter as negative) | (\$37.8) | (\$0.6) |
| Hourly congestion revenue | \$854.9 | \$189.2 |
| Midwest ISO M2M (credit to PJM minus credit to Midwest ISO) | (\$31.0) | (\$0.9) |
| Consolidated Edison Company of New York and Public Service Electric and Gas Company Wheel (CEPSW) congestion credit to Con Edison (enter as negative) | (\$2.0) | (\$0.1) |
| Adjustments: | | |
| Excess revenues carried forward into future months | \$27.3 | \$0.0 |
| Excess revenues distributed back to previous months | \$9.2 | \$0.0 |
| Other adjustments to FTR revenues | \$2.4 | \$0.0 |
| Total FTR revenues | \$923.5 | \$192.1 |
| Excess revenues distributed to other months | (\$45.1) | \$0.0 |
| Excess revenues distributed to CEPSW for end-of-year distribution | \$0.0 | \$0.0 |
| Excess revenues distributed to FTR holders | \$0.0 | \$0.0 |
| Total FTR congestion credits | \$878.4 | \$192.1 |
| Total congestion credits on bill (includes CEPSW and end-of-year distribution) | \$880.3 | \$192.2 |
| Remaining deficiency | \$28.3 | \$4.3 |

* Shows one month ended 30-Jun-10

Table 8-14 Monthly FTR accounting summary (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-19)

| Period | FTR Revenues (with adjustments) | FTR Target Allocations | FTR Payout Ratio (original) | FTR Credits (with adjustments) | FTR Payout Ratio (with adjustments) | Credits Deficiency (with adjustments) | Credits Excess (with adjustments) |
|--|------------------------------------|------------------------|--------------------------------|-----------------------------------|--|--|--------------------------------------|
| Jun-09 | \$54.6 | \$43.9 | 100.0% | \$43.9 | 100.0% | \$0.0 | \$0.0 |
| Jul-09 | \$53.2 | \$40.4 | 100.0% | \$40.4 | 100.0% | \$0.0 | \$0.0 |
| Aug-09 | \$92.4 | \$92.4 | 81.3% | \$92.4 | 100.0% | \$0.0 | \$0.0 |
| Sep-09 | \$31.4 | \$31.4 | 87.4% | \$31.4 | 100.0% | \$0.0 | \$0.0 |
| Oct-09 | \$57.8 | \$57.8 | 83.4% | \$57.8 | 100.0% | \$0.0 | \$0.0 |
| Nov-09 | \$38.2 | \$37.9 | 100.0% | \$37.9 | 100.0% | \$0.0 | \$0.0 |
| Dec-09 | \$101.9 | \$93.7 | 100.0% | \$93.7 | 100.0% | \$0.0 | \$0.0 |
| Jan-10 | \$223.7 | \$213.0 | 100.0% | \$213.0 | 100.0% | \$0.0 | \$0.0 |
| Feb-10 | \$113.3 | \$110.9 | 100.0% | \$110.9 | 100.0% | \$0.0 | \$0.0 |
| Mar-10 | \$29.0 | \$35.8 | 73.9% | \$29.0 | 81.1% | \$6.8 | \$0.0 |
| Apr-10 | \$47.7 | \$68.5 | 69.3% | \$47.7 | 69.7% | \$20.8 | \$0.0 |
| May-10 | \$80.2 | \$80.9 | 99.1% | \$80.2 | 99.1% | \$0.7 | \$0.0 |
| Summary for Planning Period 2009 to 2010 | | | | | | | |
| Total | | \$906.6 | | \$878.4 | 96.9% | \$28.3 | \$0.0 |
| Jun-10 | \$192.1 | \$196.4 | 97.8% | \$192.1 | 97.8% | \$4.3 | \$0.0 |
| Summary for Planning Period 2010 to 2011 through June 30, 2010 | | | | | | | |
| Total | | \$196.4 | | \$192.1 | 97.8% | \$4.3 | \$0.0 |

Figure 8-6 Ten largest positive and negative FTR target allocations summed by sink: Planning period 2009 to 2010 (See 2009 SOM Figure 8-9)

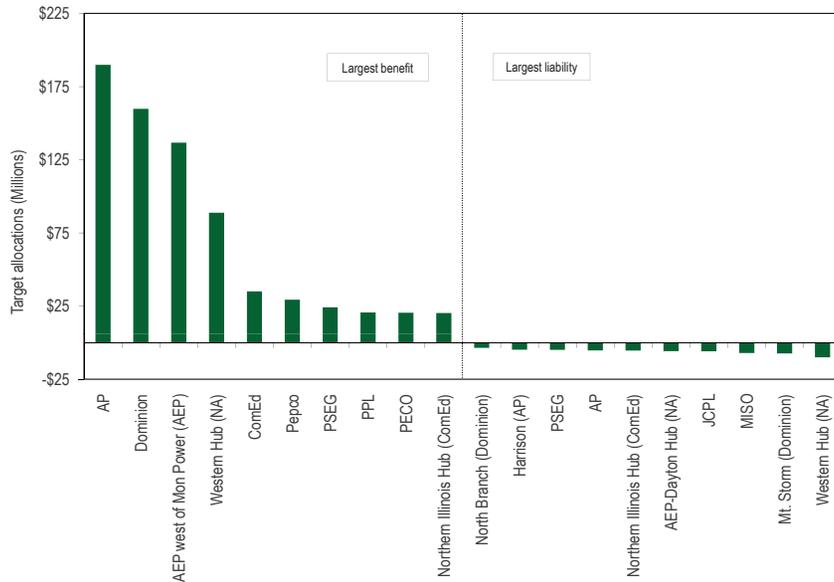
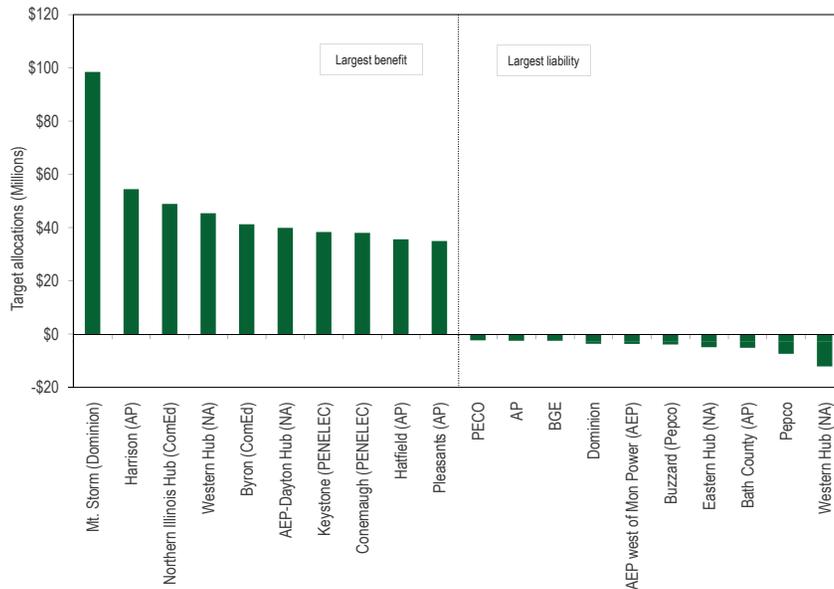


Figure 8-7 Ten largest positive and negative FTR target allocations summed by source: Planning period 2009 to 2010 (See 2009 SOM Figure 8-10)



Auction Revenue Rights

Market Structure

Supply

Incremental ARR

Table 8-15 Incremental ARR allocation volume: Planning periods 2008 to 2009, 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-20)

| Planning Period | Bid and Requested Count | Bid and Requested Volume (MW) | Cleared Volume (MW) | Cleared Volume | Uncleared Volume (MW) | Uncleared Volume |
|-----------------|-------------------------|-------------------------------|---------------------|----------------|-----------------------|------------------|
| 2008/2009 | 15 | 891 | 891 | 100% | 0 | 0% |
| 2009/2010 | 14 | 531 | 531 | 100% | 0 | 0% |
| 2010/2011 | 15 | 595 | 595 | 100% | 0 | 0% |

Table 8-16 Top 10 principal binding transmission constraints limiting the annual ARR allocation: Planning period 2010 to 2011 (See 2009 SOM Table 8-21)

| Constraint | Type | Control Zone |
|----------------------------|-----------|--------------|
| AP South | Interface | AP |
| Nelson - Electric Junction | Line | ComEd |
| State Line - Wolf Lake | Flowgate | MISO |
| Cedar Grove - Clifton | Line | PSEG |
| Roseland - Whippany | Line | JCPL |
| Brandon Shores - Riverside | Line | BGE |
| Waterman | Interface | ComEd |
| Linden - North Ave | Line | PSEG |
| Bayonne - Pleasant Valley | Line | PSEG |
| Cumberland - Juniata | Line | PPL |

ARR Reassignment for Retail Load Switching**Table 8-17 ARR and ARR revenue automatically reassigned for network load changes by control zone: June 1, 2009, through June 30, 2010 (See 2009 SOM Table 8-22)**

| Control Zone | ARRs Reassigned (MW-day) | | ARR Revenue Reassigned [Dollars (Thousands) per MW-day] | |
|--------------|-----------------------------|-------------------------|--|-------------------------|
| | 2009/2010 (12 months) | 2010/2011 (1 month)* | 2009/2010 (12 months) | 2010/2011 (1 month)* |
| AECO | 417 | 101 | \$7.6 | \$0.5 |
| AEP | 268 | 35 | \$6.3 | \$0.7 |
| AP | 629 | 227 | \$77.2 | \$22.0 |
| BGE | 2,992 | 698 | \$62.9 | \$9.4 |
| ComEd | 3,145 | 809 | \$10.2 | \$9.2 |
| DAY | 21 | 26 | \$0.1 | \$0.1 |
| DLCO | 371 | 68 | \$1.0 | \$0.4 |
| Dominion | 0 | 0 | \$0.0 | \$0.0 |
| DPL | 952 | 251 | \$10.9 | \$2.0 |
| JCPL | 1,151 | 476 | \$17.7 | \$3.4 |
| Met-Ed | 33 | 52 | \$0.8 | \$0.7 |
| PECO | 29 | 5 | \$0.5 | \$0.0 |
| PENELEC | 8 | 7 | \$0.2 | \$0.1 |
| Pepco | 2,511 | 620 | \$25.6 | \$6.2 |
| PPL | 4,489 | 763 | \$91.4 | \$7.5 |
| PSEG | 1,984 | 441 | \$50.0 | \$5.5 |
| RECO | 62 | 83 | \$0.0 | \$0.0 |
| Total | 19,061 | 4,660 | \$362.4 | \$67.7 |

* Through 30-Jun-10

Market Performance

Volume

Table 8-18 Annual ARR allocation volume: Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-23)

| Planning Period | Stage | Round | Bid and Requested Count | Bid and Requested Volume (MW) | Cleared Volume (MW) | Cleared Volume | Uncleared Volume (MW) | Uncleared Volume |
|-----------------|-------|-------|-------------------------|-------------------------------|---------------------|----------------|-----------------------|------------------|
| 2009/2010 | 1A | 0 | 7,527 | 64,988 | 64,914 | 99.9% | 74 | 0.1% |
| | 1B | 1 | 3,582 | 26,517 | 26,514 | 100.0% | 3 | 0.0% |
| | 2 | 2 | 1,580 | 16,521 | 5,680 | 34.4% | 10,841 | 65.6% |
| | | 3 | 1,157 | 16,413 | 6,013 | 36.6% | 10,400 | 63.4% |
| | | 4 | 994 | 15,599 | 6,293 | 40.3% | 9,306 | 59.7% |
| | | Total | 3,731 | 48,533 | 17,986 | 37.1% | 30,547 | 62.9% |
| | Total | | 14,840 | 140,038 | 109,414 | 78.1% | 30,624 | 21.9% |
| 2010/2011 | 1A | 0 | 8,862 | 61,793 | 61,793 | 100.0% | 0 | 0.0% |
| | 1B | 1 | 3,885 | 27,850 | 27,850 | 100.0% | 0 | 0.0% |
| | 2 | 2 | 1,901 | 15,333 | 4,161 | 27.1% | 11,172 | 72.9% |
| | | 3 | 1,374 | 15,321 | 4,167 | 27.2% | 11,154 | 72.8% |
| | | 4 | 1,247 | 15,317 | 3,872 | 25.3% | 11,445 | 74.7% |
| | | Total | 4,522 | 45,971 | 12,200 | 26.5% | 33,771 | 73.5% |
| | Total | | 17,269 | 135,614 | 101,843 | 75.1% | 33,771 | 24.9% |

Revenue Adequacy

Table 8-19 ARR revenue adequacy (Dollars (Millions)): Planning periods 2009 to 2010 and 2010 to 2011 (See 2009 SOM Table 8-24)

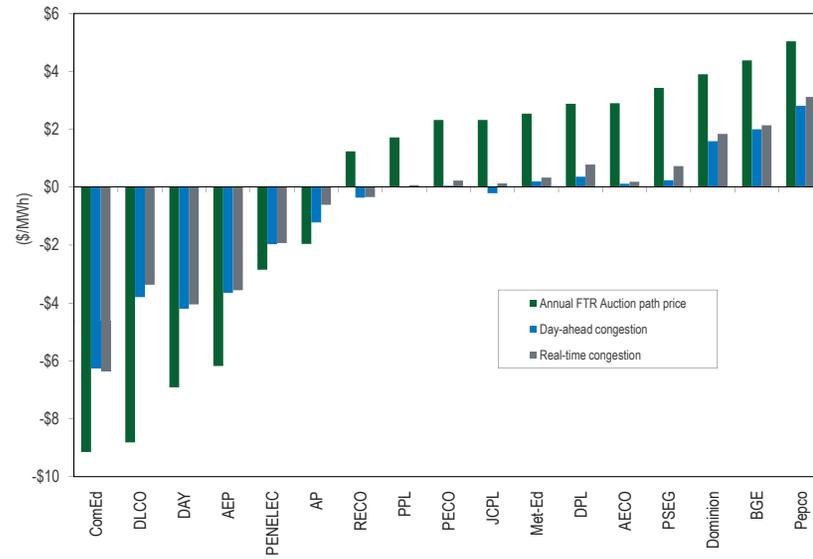
| | 2009/2010 | 2010/2011 |
|---|-----------|-----------|
| Total FTR auction net revenue | \$1,349.3 | \$1,052.3 |
| Annual FTR Auction net revenue | \$1,329.8 | \$1,049.8 |
| Monthly Balance of Planning Period FTR Auction net revenue* | \$19.5 | \$2.5 |
| ARR target allocations | \$1,273.5 | \$1,028.8 |
| ARR credits | \$1,273.5 | \$1,028.8 |
| Surplus auction revenue | \$75.8 | \$23.5 |
| ARR payout ratio | 100% | 100% |
| FTR payout ratio* | 96.9% | 97.8% |

* Shows twelve months for 2009/2010 and one month ended 30-Jun-10 for 2010/2011

ARR and FTR Revenue and Congestion

FTR Prices and Zonal Price Differences

Figure 8-8 Annual FTR Auction prices vs. average day-ahead and real-time congestion for all control zones relative to the Western Hub: Planning period 2009 to 2010 (See 2009 SOM Figure 8-11)



Effectiveness of ARR as a Hedge against Congestion**Table 8-20 ARR and self scheduled FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-25)**

| Control Zone | ARR Credits | Self-Scheduled FTR Credits | Total Revenue | Congestion | Total Revenue - Congestion Difference | Percent Hedged |
|--------------|---------------|----------------------------|---------------|----------------|---------------------------------------|----------------|
| AECO | \$16,334,067 | \$594,669 | \$16,928,736 | \$16,326,233 | \$602,503 | >100% |
| AEP | \$4,284,698 | \$144,069,787 | \$148,354,485 | \$113,350,311 | \$35,004,174 | >100% |
| AP | \$45,451,856 | \$183,064,919 | \$228,516,775 | \$44,321,527 | \$184,195,248 | >100% |
| BGE | \$46,459,694 | \$2,847,697 | \$49,307,391 | \$7,167,019 | \$42,140,372 | >100% |
| ComEd | \$14,549,758 | \$30,963,973 | \$45,513,731 | \$72,332,001 | (\$26,818,270) | 62.9% |
| DAY | \$6,207,117 | \$801,013 | \$7,008,130 | \$10,354,069 | (\$3,345,940) | 67.7% |
| DLCO | \$2,450,918 | \$1,801 | \$2,452,719 | \$21,999,718 | (\$19,546,999) | 11.1% |
| Dominion | \$6,134,065 | \$145,819,810 | \$151,953,875 | \$64,100,854 | \$87,853,021 | >100% |
| DPL | \$16,378,603 | \$799,792 | \$17,178,395 | \$28,137,137 | (\$10,958,742) | 61.1% |
| JCPL | \$28,119,166 | \$954,861 | \$29,074,027 | \$20,415,639 | \$8,658,387 | >100% |
| Met-Ed | \$108,900 | \$11,784,177 | \$11,893,077 | \$18,641,318 | (\$6,748,241) | 63.8% |
| PECO | \$1,932,121 | \$18,391,851 | \$20,323,972 | (\$20,878,937) | \$41,202,909 | >100% |
| PENELEC | \$22,966,832 | \$12,204,795 | \$35,171,627 | \$12,468,345 | \$22,703,282 | >100% |
| Pepco | \$21,798,040 | \$1,724,179 | \$23,522,219 | \$141,758,785 | (\$118,236,566) | 16.6% |
| PJM | \$7,727,385 | (\$153,147) | \$7,574,238 | \$2,456,107 | \$5,118,131 | >100% |
| PPL | \$1,102,352 | \$14,750,503 | \$15,852,855 | (\$24,767,326) | \$40,620,180 | >100% |
| PSEG | \$83,906,675 | \$3,078,677 | \$86,985,352 | \$9,011,915 | \$77,973,437 | >100% |
| RECO | (\$41,455) | \$0 | (\$41,455) | \$1,285,257 | (\$1,326,712) | 0% |
| Total | \$325,870,792 | \$571,699,358 | \$897,570,150 | \$538,479,974 | \$359,090,175 | >100% |

Effectiveness of FTRs as a Hedge against Congestion**Table 8-21 FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-26)**

| Control Zone | FTR Direction | FTR Credits | FTR Auction Revenue | FTR Hedge | Congestion | FTR Hedge - Congestion Difference | Percent Hedged |
|--------------|-----------------|----------------|---------------------|-----------------|---------------|-----------------------------------|----------------|
| AECO | Counter Flow | (\$574,550) | (\$2,125,313) | \$1,532,321 | | | |
| | Prevailing Flow | \$4,794,271 | \$26,600,621 | (\$21,652,461) | | | |
| | Total | \$4,219,721 | \$24,475,307 | (\$20,120,140) | \$10,817,043 | (\$30,937,183) | <0% |
| AEP | Counter Flow | (\$16,529,319) | (\$35,070,154) | \$18,010,272 | | | |
| | Prevailing Flow | \$174,448,337 | \$253,485,172 | (\$73,437,348) | | | |
| | Total | \$157,919,018 | \$218,415,019 | (\$55,427,076) | \$101,031,029 | (\$156,458,105) | <0% |
| AP | Counter Flow | (\$18,280,127) | (\$26,190,585) | \$7,323,698 | | | |
| | Prevailing Flow | \$204,054,777 | \$354,899,348 | (\$144,294,768) | | | |
| | Total | \$185,774,650 | \$328,708,762 | (\$136,971,070) | \$132,996,453 | (\$269,967,523) | <0% |
| BGE | Counter Flow | \$558,288 | (\$3,704,741) | \$4,280,949 | | | |
| | Prevailing Flow | \$29,219,788 | \$39,534,833 | (\$9,377,141) | | | |
| | Total | \$29,778,076 | \$35,830,093 | (\$5,096,193) | \$40,787,754 | (\$45,883,947) | <0% |
| ComEd | Counter Flow | (\$9,514,021) | (\$26,767,299) | \$16,947,895 | | | |
| | Prevailing Flow | \$71,215,921 | \$39,946,826 | \$33,555,002 | | | |
| | Total | \$61,701,900 | \$13,179,527 | \$50,502,897 | \$192,953,092 | (\$142,450,195) | 26.2% |
| DAY | Counter Flow | (\$1,630,951) | (\$3,269,555) | \$1,586,254 | | | |
| | Prevailing Flow | \$2,839,802 | \$3,425,410 | (\$494,455) | | | |
| | Total | \$1,208,852 | \$155,855 | \$1,091,799 | \$7,993,310 | (\$6,901,511) | 13.7% |
| DLCO | Counter Flow | \$1,356,126 | (\$7,042,462) | \$8,442,117 | | | |
| | Prevailing Flow | \$9,417,471 | \$3,500,693 | \$6,219,062 | | | |
| | Total | \$10,773,597 | (\$3,541,768) | \$14,661,179 | \$25,084,077 | (\$10,422,898) | 58.4% |
| Dominion | Counter Flow | (\$13,657,681) | (\$22,663,539) | \$8,567,470 | | | |
| | Prevailing Flow | \$170,375,880 | \$256,508,243 | (\$80,663,595) | | | |
| | Total | \$156,718,199 | \$233,844,704 | (\$72,096,125) | \$150,288,685 | (\$222,384,810) | <0% |
| DPL | Counter Flow | (\$1,298,257) | (\$3,516,003) | \$2,176,074 | | | |
| | Prevailing Flow | \$14,579,703 | \$38,653,745 | (\$23,606,058) | | | |
| | Total | \$13,281,446 | \$35,137,741 | (\$21,429,984) | \$28,398,375 | (\$49,828,359) | <0% |
| JCPL | Counter Flow | (\$2,387,439) | (\$4,574,033) | \$2,109,961 | | | |
| | Prevailing Flow | \$1,497,365 | \$48,058,948 | (\$46,513,520) | | | |
| | Total | (\$890,074) | \$43,484,916 | (\$44,403,559) | \$18,958,788 | (\$63,362,348) | <0% |

Table 8-21 FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-26) [continued]

| Control Zone | FTR Direction | FTR Credits | FTR Auction Revenue | FTR Hedge | Congestion | FTR Hedge - Congestion Difference | Percent Hedged |
|--------------|-----------------|----------------|---------------------|-----------------|----------------|-----------------------------------|----------------|
| Met-Ed | Counter Flow | (\$1,585,783) | (\$2,404,120) | \$767,436 | | | |
| | Prevailing Flow | \$17,054,016 | \$35,665,942 | (\$18,064,522) | | | |
| | Total | \$15,468,232 | \$33,261,822 | (\$17,297,086) | \$4,609,666 | (\$21,906,752) | <0% |
| PECO | Counter Flow | (\$294,222) | (\$2,663,493) | \$2,359,827 | | | |
| | Prevailing Flow | \$21,761,652 | \$58,250,992 | (\$35,790,829) | | | |
| | Total | \$21,467,430 | \$55,587,499 | (\$33,431,002) | (\$22,617,637) | (\$10,813,365) | <0% |
| PENELEC | Counter Flow | (\$11,053,769) | (\$33,363,362) | \$21,954,786 | | | |
| | Prevailing Flow | \$72,862,608 | \$103,902,070 | (\$28,700,699) | | | |
| | Total | \$61,808,839 | \$70,538,708 | (\$6,745,913) | \$58,884,119 | (\$65,630,032) | <0% |
| Pepco | Counter Flow | \$2,751,544 | (\$17,578,229) | \$20,418,092 | | | |
| | Prevailing Flow | \$108,481,057 | \$110,673,874 | \$1,289,236 | | | |
| | Total | \$111,232,601 | \$93,095,645 | \$21,707,328 | \$66,040,760 | (\$44,333,432) | 32.9% |
| PJM | Counter Flow | (\$7,409,025) | (\$10,469,858) | \$2,823,017 | | | |
| | Prevailing Flow | \$2,474,268 | \$6,199,137 | (\$3,645,449) | | | |
| | Total | (\$4,934,756) | (\$4,270,721) | (\$822,432) | \$8,551,453 | (\$9,373,885) | <0% |
| PPL | Counter Flow | (\$1,063,123) | (\$8,578,713) | \$7,481,466 | | | |
| | Prevailing Flow | \$22,095,877 | \$69,681,584 | (\$46,876,468) | | | |
| | Total | \$21,032,754 | \$61,102,871 | (\$39,395,002) | (\$8,203,127) | (\$31,191,875) | <0% |
| PSEG | Counter Flow | \$607,455 | (\$10,115,255) | \$10,742,209 | | | |
| | Prevailing Flow | \$33,855,967 | \$123,238,031 | (\$88,295,346) | | | |
| | Total | \$34,463,423 | \$113,122,776 | (\$77,553,137) | (\$1,140,092) | (\$76,413,045) | <0% |
| RECO | Counter Flow | (\$1,140,833) | (\$4,314,908) | \$3,137,456 | | | |
| | Prevailing Flow | (\$45,946) | \$1,453,174 | (\$1,500,595) | | | |
| | Total | (\$1,186,779) | (\$2,861,734) | \$1,636,862 | \$1,562,712 | \$74,149 | 104.7% |
| Total | Counter Flow | (\$81,145,687) | (\$224,411,623) | \$140,661,301 | | | |
| | Prevailing Flow | \$960,982,817 | \$1,573,678,643 | (\$581,849,954) | | | |
| | Total | \$879,837,129 | \$1,349,267,020 | (\$441,188,653) | \$816,996,461 | (\$2,163,536,265) | <0% |

Effectiveness of ARRs and FTRs as a Hedge against Congestion**Table 8-22 ARR and FTR congestion hedging by control zone: Planning period 2009 to 2010 (See 2009 SOM Table 8-27)**

| Control Zone | ARR Credits | FTR Credits | FTR Auction Revenue | Total ARR and FTR Hedge | Congestion | Total Hedge - Congestion Difference | Percent Hedged |
|--------------|-----------------|---------------|---------------------|-------------------------|----------------|-------------------------------------|----------------|
| AECO | \$19,253,322 | \$4,219,286 | \$24,404,104 | (\$931,496) | \$11,668,534 | (\$12,600,030) | <0% |
| AEP | \$223,262,229 | \$157,902,719 | \$217,879,838 | \$163,285,110 | \$116,052,957 | \$47,232,153 | >100% |
| AP | \$365,048,488 | \$185,755,476 | \$329,392,239 | \$221,411,725 | \$127,452,651 | \$93,959,074 | >100% |
| BGE | \$52,131,739 | \$29,775,002 | \$36,152,570 | \$45,754,171 | \$38,375,399 | \$7,378,772 | >100% |
| ComEd | \$27,261,279 | \$61,695,532 | \$13,172,043 | \$75,784,768 | \$214,320,006 | (\$138,535,238) | 35.4% |
| DAY | \$7,505,314 | \$1,208,727 | \$301,370 | \$8,412,671 | \$7,251,176 | \$1,161,495 | >100% |
| DLCO | \$2,454,337 | \$10,772,485 | (\$3,168,727) | \$16,395,549 | \$23,090,875 | (\$6,695,326) | 71.0% |
| Dominion | \$213,840,239 | \$156,702,023 | \$233,943,347 | \$136,598,915 | \$144,663,009 | (\$8,064,094) | 94.4% |
| DPL | \$17,792,090 | \$13,280,075 | \$35,171,391 | (\$4,099,226) | \$25,523,871 | (\$29,623,097) | <0% |
| JCPL | \$34,924,192 | (\$889,982) | \$43,756,129 | (\$9,721,919) | \$19,798,670 | (\$29,520,589) | <0% |
| Met-Ed | \$27,312,021 | \$15,466,636 | \$33,289,557 | \$9,489,100 | \$3,372,231 | \$6,116,869 | >100% |
| PECO | \$49,863,646 | \$21,465,214 | \$55,525,390 | \$15,803,470 | (\$23,582,715) | \$39,386,185 | >100% |
| PENELEC | \$49,412,326 | \$61,802,460 | \$69,940,862 | \$41,273,924 | \$52,397,326 | (\$11,123,402) | 78.8% |
| Pepco | \$23,702,306 | \$111,221,120 | \$92,127,593 | \$42,795,833 | \$60,979,815 | (\$18,183,982) | 70.2% |
| PJM | \$9,979,482 | (\$4,934,247) | (\$4,320,705) | \$9,365,940 | (\$5,687,389) | \$15,053,329 | >100% |
| PPL | \$55,143,860 | \$21,030,583 | \$61,139,754 | \$15,034,689 | (\$9,016,274) | \$24,050,963 | >100% |
| PSEG | \$94,609,270 | \$34,459,866 | \$112,939,182 | \$16,129,954 | \$3,593,597 | \$12,536,357 | >100% |
| RECO | (\$41,455) | (\$1,186,657) | (\$2,841,361) | \$1,613,249 | \$1,390,092 | \$223,157 | >100% |
| Total | \$1,273,454,685 | \$879,746,321 | \$1,348,804,576 | \$804,396,430 | \$811,643,831 | (\$7,247,401) | 99.1% |

Table 8-23 ARR and FTR congestion hedging: Planning periods 2008 to 2009 and 2009 to 2010 (See 2009 SOM Table 8-28)

| Planning Period | ARR Credits | FTR Credits | FTR Auction Revenue | Total ARR and FTR Hedge | Congestion | Total Hedge - Congestion Difference | Percent Hedged |
|-----------------|-----------------|-----------------|---------------------|-------------------------|-----------------|-------------------------------------|----------------|
| 2008/2009 | \$2,361,292,807 | \$1,748,201,585 | \$2,489,609,470 | \$1,619,884,922 | \$1,489,647,665 | \$130,237,257 | >100% |
| 2009/2010 | \$1,276,852,551 | \$879,858,494 | \$1,368,744,320 | \$787,966,725 | \$816,996,461 | (\$29,029,736) | 96.4% |

ARRs and FTRs as a Hedge against Total Real Time Energy Charges**Table 8-24 ARRs and self-scheduled FTR credits as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-29)**

| Control Zone | ARR Credits | Self-Scheduled FTR Credits | Total Hedge | Total Energy Charges | Percent of Energy Charges Covered by ARR and Self-Scheduled FTR Credits |
|--------------|---------------|----------------------------|---------------|----------------------|---|
| AECO | \$7,219,021 | \$751,254 | \$7,970,276 | \$271,513,214 | 2.9% |
| AEP | \$2,480,069 | \$98,203,487 | \$100,683,556 | \$2,624,894,987 | 3.8% |
| AP | \$21,725,051 | \$161,824,339 | \$183,549,390 | \$1,038,462,004 | 17.7% |
| BGE | \$21,684,973 | \$2,514,327 | \$24,199,300 | \$906,573,516 | 2.7% |
| ComEd | \$12,784,592 | \$9,277,997 | \$22,062,589 | \$1,709,282,695 | 1.3% |
| DAY | \$2,868,458 | \$1,042,618 | \$3,911,076 | \$329,224,754 | 1.2% |
| DLCO | \$1,429,200 | \$488 | \$1,429,688 | \$280,788,853 | 0.5% |
| Dominion | \$2,947,981 | \$123,382,623 | \$126,330,604 | \$2,545,936,995 | 5.0% |
| DPL | \$7,722,753 | \$621,469 | \$8,344,222 | \$471,469,578 | 1.8% |
| JCPL | \$12,947,621 | \$1,488,435 | \$14,436,056 | \$580,651,089 | 2.5% |
| Met-Ed | \$1,135,955 | \$7,003,783 | \$8,139,737 | \$371,324,980 | 2.2% |
| PECO | \$939,633 | \$15,901,854 | \$16,841,487 | \$1,011,524,525 | 1.7% |
| PENELEC | \$11,448,978 | \$7,144,243 | \$18,593,221 | \$365,980,867 | 5.1% |
| Pepco | \$10,717,044 | \$1,185,424 | \$11,902,469 | \$856,973,155 | 1.4% |
| PJM | \$4,669,879 | \$1,603,965 | \$6,273,844 | NA | NA |
| PPL | \$2,120,206 | \$8,965,617 | \$11,085,823 | \$967,273,370 | 1.1% |
| PSEG | \$37,871,812 | \$3,017,675 | \$40,889,487 | \$1,125,125,064 | 3.6% |
| RECO | (\$9,486) | \$0 | (\$9,486) | \$36,400,979 | (0.0%) |
| Total | \$162,703,742 | \$443,929,599 | \$606,633,341 | \$15,519,070,251 | 3.9% |

Table 8-25 FTRs as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-30)

| Control Zone | FTR Credits (Excluding Self-Scheduled FTRs) | FTR Auction Revenue (Excluding Self-Scheduled FTRs) | Total FTR Hedge (Excluding Self-Scheduled FTRs) | Total Energy Charges | Percent of Energy Charges Covered by FTR Credits (Excluding Self-Scheduled FTRs) |
|--------------|---|---|---|----------------------|--|
| AECO | \$4,665,132 | \$8,540,145 | (\$3,875,013) | \$271,513,214 | (1.4%) |
| AEP | \$6,384,508 | (\$1,298,303) | \$7,682,812 | \$2,624,894,987 | 0.3% |
| AP | (\$5,056,742) | \$86,557 | (\$5,143,299) | \$1,038,462,004 | (0.5%) |
| BGE | \$20,058,477 | \$15,606,242 | \$4,452,235 | \$906,573,516 | 0.5% |
| ComEd | \$27,010,525 | \$6,220,467 | \$20,790,058 | \$1,709,282,695 | 1.2% |
| DAY | (\$377,899) | (\$512,603) | \$134,704 | \$329,224,754 | 0.0% |
| DLCO | \$12,291,134 | (\$2,633,100) | \$14,924,233 | \$280,788,853 | 5.3% |
| Dominion | \$14,470,372 | \$10,671,051 | \$3,799,321 | \$2,545,936,995 | 0.1% |
| DPL | \$8,859,853 | \$15,336,161 | (\$6,476,308) | \$471,469,578 | (1.4%) |
| JCPL | \$4,312,092 | \$17,663,388 | (\$13,351,297) | \$580,651,089 | (2.3%) |
| Met-Ed | \$6,070,972 | \$2,982,318 | \$3,088,655 | \$371,324,980 | 0.8% |
| PECO | \$3,356,273 | \$3,675,675 | (\$319,402) | \$1,011,524,525 | (0.0%) |
| PENELEC | \$36,505,723 | \$23,640,178 | \$12,865,544 | \$365,980,867 | 3.5% |
| Pepco | \$68,831,642 | \$51,625,849 | \$17,205,793 | \$856,973,155 | 2.0% |
| PJM | (\$3,460,897) | (\$3,954,214) | \$493,317 | NA | NA |
| PPL | \$3,565,366 | \$4,294,064 | (\$728,697) | \$967,273,370 | (0.1%) |
| PSEG | \$35,613,845 | \$49,462,696 | (\$13,848,851) | \$1,125,125,064 | (1.2%) |
| RECO | (\$759,509) | (\$1,357,902) | \$598,393 | \$36,400,979 | 1.6% |
| Total | \$242,340,867 | \$200,048,670 | \$42,292,198 | \$15,519,070,251 | 0.3% |

Table 8-26 ARR and FTRs as a hedge against energy charges by control zone: January through June 2010 (See 2009 SOM, Table 8-31)

| Control Zone | ARR Related Hedge (Including Self-Scheduled FTRs) | FTR Hedge (Excluding Self-Scheduled FTRs) | Total ARR and FTR Hedge | Total Energy Charges | Percent of Energy Charges Covered by ARR and FTR Credits |
|--------------|--|--|-------------------------|----------------------|---|
| AECO | \$7,970,276 | (\$3,875,013) | \$4,095,263 | \$271,513,214 | 1.5% |
| AEP | \$100,683,556 | \$7,682,812 | \$108,366,368 | \$2,624,894,987 | 4.1% |
| AP | \$183,549,390 | (\$5,143,299) | \$178,406,091 | \$1,038,462,004 | 17.2% |
| BGE | \$24,199,300 | \$4,452,235 | \$28,651,536 | \$906,573,516 | 3.2% |
| ComEd | \$22,062,589 | \$20,790,058 | \$42,852,647 | \$1,709,282,695 | 2.5% |
| DAY | \$3,911,076 | \$134,704 | \$4,045,780 | \$329,224,754 | 1.2% |
| DLCO | \$1,429,688 | \$14,924,233 | \$16,353,921 | \$280,788,853 | 5.8% |
| Dominion | \$126,330,604 | \$3,799,321 | \$130,129,925 | \$2,545,936,995 | 5.1% |
| DPL | \$8,344,222 | (\$6,476,308) | \$1,867,914 | \$471,469,578 | 0.4% |
| JCPL | \$14,436,056 | (\$13,351,297) | \$1,084,760 | \$580,651,089 | 0.2% |
| Met-Ed | \$8,139,737 | \$3,088,655 | \$11,228,392 | \$371,324,980 | 3.0% |
| PECO | \$16,841,487 | (\$319,402) | \$16,522,084 | \$1,011,524,525 | 1.6% |
| PENELEC | \$18,593,221 | \$12,865,544 | \$31,458,765 | \$365,980,867 | 8.6% |
| Pepco | \$11,902,469 | \$17,205,793 | \$29,108,262 | \$856,973,155 | 3.4% |
| PJM | \$6,273,844 | \$493,317 | \$6,767,162 | NA | NA |
| PPL | \$11,085,823 | (\$728,697) | \$10,357,126 | \$967,273,370 | 1.1% |
| PSEG | \$40,889,487 | (\$13,848,851) | \$27,040,636 | \$1,125,125,064 | 2.4% |
| RECO | (\$9,486) | \$598,393 | \$588,907 | \$36,400,979 | 1.6% |
| Total | \$606,633,341 | \$42,292,198 | \$648,925,539 | \$15,519,070,251 | 4.2% |