

**PJM RPM DEFAULT AVOIDABLE COST RATE  
CATEGORY SUMMARY WITH ESCALATION THROUGH 2010**

<b>Preliminary Default Avoidable Cost Rates</b>									
		2005		2005	2006	2007	2008	2009	2010
Category	ICAP (MW)	Base (\$/MW-Day)	% Avoidable	Default Avoidable (\$/MW-Day)	Default Avoidable (\$/MW-Day)	Default Avoidable (\$/MW-Day)	Default Avoidable (\$/MW-Day)	Default Avoidable (\$/MW-Day)	Default Avoidable (\$/MW-Day)
<b>Diesel</b>									
All Diesel	Up to 10	\$25.26	78.7%	\$19.89	\$20.54	\$21.25	\$21.98	\$22.74	\$23.53
<b>CT</b>									
First & Second Generation Frame B	20 to 45	\$24.52	74.9%	\$18.37	\$18.97	\$19.62	\$20.30	\$21.00	\$21.73
First & Second Generation Aero	20 to 45	\$24.73	75.2%	\$18.59	\$19.20	\$19.86	\$20.55	\$21.26	\$21.99
Combined First & Second Generation Frame B or Aero	20 to 45	\$24.63	75.1%	\$18.48	\$19.08	\$19.74	\$20.42	\$21.13	\$21.86
Second Generation Frame E	80	\$23.37	74.7%	\$17.47	\$18.03	\$18.66	\$19.30	\$19.97	\$20.66
Third Generation Frame F	150	\$25.82	69.4%	\$17.93	\$18.51	\$19.15	\$19.81	\$20.50	\$21.20
Combined Second & Third Generation Frame E or F	80 to 150	\$24.60		\$17.70	\$18.27	\$18.90	\$19.56	\$20.23	\$20.93
Third Generation Aero (P&W FT- 8 TwinPak)	50	\$32.69	67.8%	\$22.18	\$22.90	\$23.69	\$24.50	\$25.35	\$26.23
Third Generation Aero (GE LM 6000)	40	\$62.32	67.8%	\$42.28	\$43.65	\$45.16	\$46.72	\$48.34	\$50.01
<b>Combined Cycle</b>									
Three on One Frame E Technology	500	\$35.18	73.9%	\$25.98	\$26.82	\$27.75	\$28.71	\$29.70	\$30.72
Two on One Frame F Technology	500 Plus	\$33.19	70.5%	\$23.40	\$24.16	\$24.99	\$25.86	\$26.75	\$27.68
Three or More on One or More Frame F Technology	800 to 1,250	\$28.12	72.0%	\$20.25	\$20.91	\$21.63	\$22.38	\$23.15	\$23.95
NUG Cogeneration Frame B or E Technology	50 to 200	\$116.86	74.4%	\$86.97	\$89.79	\$92.89	\$96.10	\$99.42	\$102.86
<b>Oil and Gas Steam</b>									
One or More Units at One Site	250 to 500	\$60.08	82.1%	\$49.35	\$50.95	\$52.71	\$54.53	\$56.41	\$58.36
<b>Coal</b>									
Sub-Critical Coal	Up to 500	\$143.01	90.2%	\$129.01	\$133.20	\$137.80	\$142.56	\$147.49	\$152.59
Super Critical Coal	Up to 600	\$145.79	91.4%	\$133.29	\$137.61	\$142.37	\$147.29	\$152.37	\$157.64
Waste Coal	80 to 100	\$206.06	82.6%	\$170.13	\$175.66	\$181.73	\$188.00	\$194.50	\$201.22
Waste Coal	500	\$76.01	82.8%	\$62.92	\$64.97	\$67.21	\$69.53	\$71.94	\$74.42
<b>Hydro And Pumped Storage</b>									
Hydro	500	\$70.28	76.5%	\$53.74	\$55.48	\$57.40	\$59.38	\$61.43	\$63.55
Pumped Storage	1000	\$22.08	71.2%	\$15.72	\$16.23	\$16.79	\$17.37	\$17.97	\$18.59

### Cost Development Guidelines Inflation Escalation Factors

Year	Index	Factor	Escalation
1993	334	1.524	
1994	346	1.471	1.036
1995	358	1.422	1.035
1996	363	1.402	1.014
1997	375	1.357	1.033
1998	383	1.329	1.021
1999	389	1.308	1.016
2000	415	1.227	1.067
2001	425	1.198	1.024
2002	438	1.162	1.031
2003	441	1.154	1.007
2004	465	1.095	1.054
2005	493	1.032	1.060
2006	509	1.000	1.032
<b>Last Ten Year Average</b>			1.035