

**PJM RPM DEFAULT AVOIDABLE COST RATE FOR 2011-2012 CAPACITY YEAR  
CATEGORY SUMMARY WITH ESCALATION THROUGH 2011 - 2012 CAPACITY YEAR USING UPDATED HANDY-WHITMAN INDEX AND 10 YEAR AVERAGE**

Default Avoidable Cost Rates										
		Mid - 2005		Mid - 2005	Mid - 2006	Mid - 2007	Mid - 2008	Mid - 2009	Mid - 2010	Mid - 2011
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)	Default Avoidable (\$/MW-Day)
<b>Diesel</b>										
All Diesel	Up to 10	\$25.26	78.7%	\$19.89	\$20.78	\$22.03	\$22.88	\$23.76	\$24.68	\$25.63
<b>CT</b>										
First & Second Generation Frame B	20 to 45	\$24.52	74.9%	\$18.37	\$19.19	\$20.35	\$21.13	\$21.94	\$22.79	\$23.66
First & Second Generation Aero	20 to 45	\$24.73	75.2%	\$18.59	\$19.42	\$20.59	\$21.39	\$22.21	\$23.06	\$23.95
Second Generation Frame E	80	\$23.37	74.7%	\$17.47	\$18.25	\$19.35	\$20.09	\$20.86	\$21.67	\$22.50
Third Generation Frame F	150	\$25.82	69.4%	\$17.93	\$18.73	\$19.86	\$20.62	\$21.41	\$22.24	\$23.09
Third Generation Aero (P&W FT- 8 TwinPak)	50	\$32.69	67.8%	\$22.18	\$23.16	\$24.56	\$25.50	\$26.49	\$27.51	\$28.56
Third Generation Aero (GE LM 6000)	40	\$62.32	67.8%	\$42.28	\$44.17	\$46.83	\$48.63	\$50.50	\$52.44	\$54.46
<b>Combined Cycle</b>										
Three on One Frame E Technology	500	\$35.18	73.9%	\$25.98	\$27.14	\$28.77	\$29.88	\$31.03	\$32.22	\$33.46
Two on One Frame F Technology	500 Plus	\$33.19	70.5%	\$23.40	\$24.44	\$25.92	\$26.91	\$27.95	\$29.02	\$30.14
Three or More on One or More Frame F Technology	800 to 1,250	\$28.12	72.0%	\$20.25	\$21.16	\$22.43	\$23.29	\$24.19	\$25.12	\$26.09
NUG Cogeneration Frame B or E Technology	50 to 200	\$116.86	74.4%	\$86.97	\$90.85	\$96.32	\$100.03	\$103.87	\$107.87	\$112.02
<b>Oil and Gas Steam</b>										
One or More Units at One Site	250 to 500	\$60.08	82.1%	\$49.35	\$51.55	\$54.65	\$56.76	\$58.94	\$61.21	\$63.56
<b>Coal</b>										
Sub-Critical Coal	Up to 500	\$143.01	90.2%	\$129.01	\$134.77	\$142.88	\$148.38	\$154.09	\$160.02	\$166.18
Super Critical Coal	Up to 600	\$145.79	91.4%	\$133.29	\$139.23	\$147.61	\$153.30	\$159.19	\$165.32	\$171.68
Waste Coal	80 to 100	\$206.06	82.6%	\$170.13	\$177.73	\$188.42	\$195.68	\$203.21	\$211.03	\$219.15
Waste Coal	500	\$76.01	82.8%	\$62.92	\$65.73	\$69.69	\$72.37	\$75.16	\$78.05	\$81.05
<b>Hydro And Pumped Storage</b>										
Hydro	500	\$70.28	76.5%	\$53.74	\$56.13	\$59.51	\$61.80	\$64.18	\$66.65	\$69.22
Pumped Storage	1000	\$22.08	71.2%	\$15.72	\$16.42	\$17.41	\$18.08	\$18.77	\$19.50	\$20.25

**Cost Development Guidelines Inflation Escalation Factors**

Year	Index	Factor	Escalation
1993	334	1.635	
1994	346	1.578	1.03593
1995	358	1.525	1.03468
1996	363	1.504	1.01397
1997	375	1.456	1.03306
1998	383	1.426	1.02133
1999	389	1.404	1.01567
2000	415	1.316	1.06684
2001	425	1.285	1.02410
2002	438	1.247	1.03059
2003	441	1.238	1.00685
2004	465	1.174	1.05442
2005	493	1.108	1.06022
2006	515	1.060	1.04462
2007	546	1.000	1.06019
<b>Last Ten Year Average</b>			1.03848