



February 11, 2016

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *PJM Interconnection, L.L.C., Docket No. EL14-37-000*
Joint PJM/IMM Informational Letter

Dear Secretary Bose,

PJM Interconnection, L.L.C. (“PJM”) and Monitoring Analytics, LLC, the Independent Market Monitor for PJM (“IMM”), hereby jointly submit this informational letter regarding the Federal Energy Regulatory Commission’s (“Commission”) ongoing proceeding in Docket No. EL14-37-000 that seeks to address, *inter alia*, whether Up-to Congestion Transactions¹ (“UTCs”) should be assessed uplift costs.

As stated in their respective comments, PJM and the IMM agree that UTCs should be allocated a portion of uplift charges,² and further note that allocating uplift charges to UTCs is consistent with the recommendations PJM made in its recent comprehensive report on Virtual Transactions in PJM.³

In its order instituting this proceeding, the Commission established a refund effective date of September 8, 2014.⁴ Moreover, in that same order, the Commission stated that it expected to issue a decision “within five months of the submission of post-technical conference pleadings.”⁵

As the period between a possible refund effective date and a final order in this proceeding increases, the resulting potential refunds represent an increasing liability. PJM and the IMM are

¹ All capitalized terms that are not otherwise defined herein shall have the same meaning as they are defined in PJM Open Access Transmission Tariff (“Tariff”) and the Amended and Restated Operating Agreement of PJM Interconnection, L.L.C. (“Operating Agreement”).

² See e.g. *PJM Interconnection, L.L.C.*, Comments of PJM Interconnection, L.L.C., at 9-11, Docket No. EL14-37-000 (May 29, 2015); *PJM Interconnection, L.L.C.*, Comments of the Independent Market Monitor For PJM, at 6-7, Docket No. EL14-37-000 (June 1, 2015).

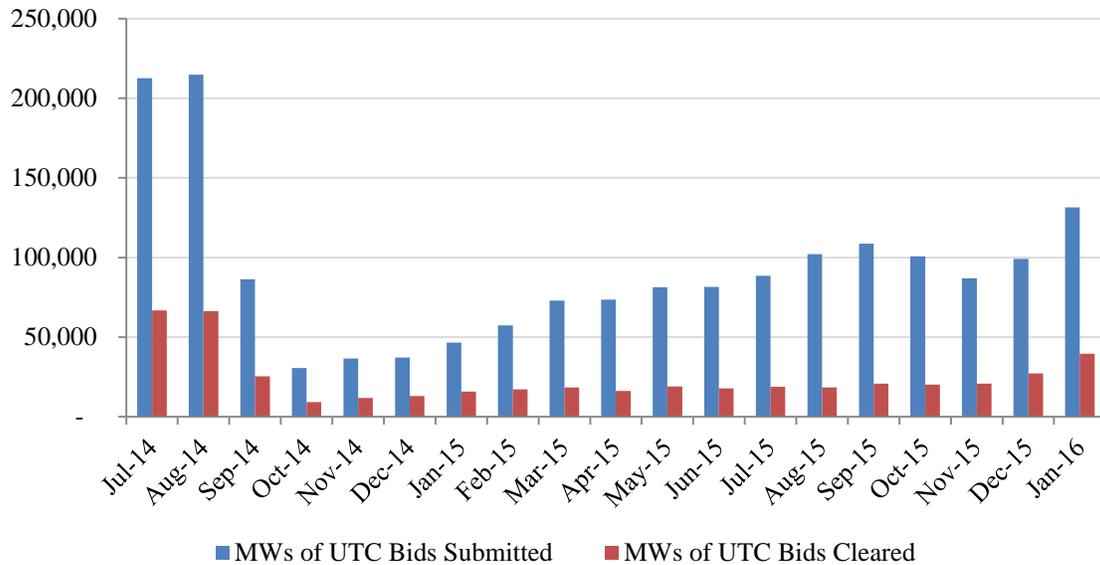
³ See e.g. PJM Interconnection, L.L.C., *Virtual Transactions in the PJM Energy Markets*, at 2 (October 12, 2015), <http://www.pjm.com/~media/documents/reports/20151012-virtual-bid-report.ashx>.

⁴ See *PJM Interconnection, L.L.C.*, 148 FERC ¶ 61,144, at P 15 (2014).

⁵ See *id.* at P 16.

concerned about the credit implications and the ongoing uncertainty of the potential costs of current UTC transactions. Issuance of a final order would begin to alleviate these concerns.

For the Commission's reference, the volume of UTC transactions dropped in fall 2014 after the Commission established its UTC uplift docket but has increased again in the 16 months since then, particularly in January 2016.



Please let PJM and the IMM know if there is anything that can be provided to assist resolution of this proceeding.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Audubon, PA, this 11th day of February, 2016.

A handwritten signature in black ink, appearing to read "Steven Shparber". The signature is written in a cursive style with a long, sweeping tail.

Steven Shparber, Counsel
PJM Interconnection, L.L.C.