

**MMU Proposal to Address Allocation of Marginal Losses Surplus in Excess of Transmission Costs**

OA Schedule 1 § 5.5 (Sheet No. 399C)

**5.5 Distribution of Total Transmission Loss Charges.**

The total Transmission Loss Charges accumulated by the Office of Interconnection in any hour shall be distributed pro-rata to each Network Service User and Transmission Customer in proportion to its ratio shares of the total MWhs of energy delivered to load (net of operating Behind The Meter Generation, but not to be less than zero) in the PJM Region (that paid for transmission service during such hour), or the total exports of MWh of energy from the PJM Region, or the total MWh of cleared Up-To Congestion transactions (that paid for transmission service during such hour), except that no such distribution to any Transmission Customer for such hour shall exceed the total charges for transmission service for such hour.